S. Hrg. 100-607

PRESIDENTIAL TRANSITION EFFECTIVENESS ACT

HEARINGS

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST AND SECOND SESSIONS

ON

S. 2037

TO AMEND THE PRESIDENTIAL TRANSITION ACT OF 1963 TO PROVIDE FOR A MORE ORDERLY TRANSFER OF EXECUTIVE POWER IN CONNECTION WITH THE EXPIRATION OF THE TERM OF OFFICE OF A PRESIDENT

SEPTEMBER 17, OCTOBER 14, 1987, AND FEBRUARY 17, 1988

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PRESIDENTIAL TRANSITION EFFECTIVENESS ACT

THURSDAY, SEPTEMBER 17, 1987

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:30 a.m., in room SD-342, Dirksen Senate Office Building, Hon. John Glenn, Chairman of the Committee, presiding.

Present: Senators Glenn, Stevens, and Sasser.

Chairman GLENN. The hearing will be in order.

We are meeting today to discuss the problem of the financing of Presidential transitions. We do have a vote that has been called on the Senate floor so I have to leave for the floor within a few minutes.

But we have Dante Fascell, who is Chairman of the House Foreign Affairs Committee, and he was instrumental in some of this legislation that provided transition funding back some years ago. He very kindly agreed to come over this morning and be our leadoff witness because of his experience and his observation of this through the years.

I welcome you this morning. We are going to take a little truncated method of running this hearing this morning. We will have your testimony first—I understand it is not excessively long—and then I will come back and make my opening statement later on after I have gone to vote.

We welcome you this morning and we welcome your testimony this morning.

TESTIMONY OF HON. DANTE FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, CHAIRMAN, HOUSE COMMITTEE ON FOREIGN AFFAIRS

Mr. FASCELL. Mr. Chairman, thank you very much. I like this system and I appreciate your consideration in doing it this way. I do have a prepared statement.[1] Let me put it in the record and then make some observations about it.

First of all, I think it is time to revisit, this issue and I thank you and the Committee for doing that. As you know, the original law was based on a study during President Kennedy's time recommended for very good reasons then. The same reasons exist even more today.

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[1] See p. 150.

It seems to me that the orderly transition in Government is a legitimate public purpose and, therefore, ought to be funded publicly and institutionalized. I congratulate the Committee for increasing the budget in order to do this. With the high cost of campaigns as some kind of an indicator about what is going on, one can imagine how high the cost of transition would be.

Now, without getting overly rigorous in terms of trying to spell out legislatively the regulation of a transition process, suffice it to say that we have learned by experience now that we just cannot rely and should not rely on the tin cup of the President-elect and the spectacle of this individual running around trying to raise the money to do something that is in the public interest to start with. So paying for the transition, I think, is beside any question.

I would not personally opt for an optional process. I believe we ought to institutionalize it, and if the question arises about the accounting for the public money, then cite as reasonably carefully as we can, with whatever flexibility may be required, the accountability for the public money, if it becomes necessary. And I have not really made up my mind yet about the mixture of public and private funds. I could see some purpose in cutting off all private funding of any kind and allowing the President to just simply use the public money and, if is not enough, then we will have to adjust it.

On the other hand, you might permit private funding and just simply put it all in the pot. I would not make it optional, though. I would mandate the institutionalization of the transition process with public funds and, if the incoming President wants to go out and raise money on his own to make it better or do it better, that private money goes into the pot and becomes public money for accountability purposes.

You cannot give him a private pot over here that he can do anything he wants to with and have authority under the law to go raise that money, if it is for transitional purposes. Now, if it is not, it does not make any difference. It is not covered by the act, anyway.

The only other question is the question of giving him the flexibility on the budget. I agree with that and if we are going to do it, I think we need to do something besides what we have been doing in the past. It is kind of crazy to have the previous President prepare the budget and then have a new President come in and not having had a chance to look at it and then put the heat on everybody to get a new budget all of a sudden.

So whatever we can do to straighten that mess out would be extremely useful.

Again, let me thank you for holding the hearings and reflecting on this matter. I think it is one of those kind of housekeeping matters but very, very important, Mr. Chairman.

Chairman GLENN. Well, it is indeed and I appreciate your comments very, very much. We have passed, through the years, all sorts of things that the Federal Election Commission applies in the election process—the $1,000 limitation, $5,000 PAC and so on. It has to be very carefully reported right down to the penny and believe me I know from experience that if it is not right down to the penny, they get on your back and you have to account for it.

Mr. FASCELL. They sure do.

Chairman **Glenn**. I have been through that routine in spades so I am aware of the difficulty. But then we get to the election and the transition period and all at once we say, now you can go out and accept the half a million dollars if you want to for whatever purpose you want and no accountability whatsoever.

Talk about influence in Government and conflict-of-interest potential.

Mr. **Fascell**. Absolutely. Well, that is one of the things that we tried to stop, Mr. Chairman, and you are absolutely right.

Now, it is going to be very necessary, it seems to me, to draw the line very carefully this time on that score. Here is an obvious opportunity that has suddenly occurred and, with the kind of monies we are talking about, it is not chicken feed. And so under the auspices or the aura of a transition, a lot of money could be raised and the question is going to be, is that a good public policy. It seems to me that it is not.

Now, that does not mean that they cannot raise money for an inauguration and money for parties or whatever they want to do. That is okay. That is a legitimate part of the whole landscape. But not under the umbrella of transition for official purposes. That is something that it seems to me that we have the responsibility to carve out and protect in some way.

Chairman **Glenn**. Well, I thank you very much.

Chairman Fascell was the floor manager for the Act when it was passed back in 1963 so it is something that he speaks with authority on and something he has followed for many years.

We appreciate your willingness to come over this morning and testify on this. As we have testimony and have more questions on it, I am sure we are going to want to get back together again and get the advice of your experience.

Mr. **Fascell**. Well, I thank you for that and I assure you I will follow it very carefully and give it more thought as we proceed.

Chairman **Glenn**. Good. Thank you very much. I appreciate that.

The hearing will stand in temporary recess while I go vote.

[Recess.]

OPENING STATEMENT OF CHAIRMAN GLENN

Chairman **Glenn**. The hearing will be in order again.

Today the Committee begins work on a bipartisan effort to prepare for the 1988 Presidential transition. We know there is going to be a transition. The issue is whether we will provide the kind of support necessary for a smooth transfer of power from this Administration to the next.

Before turning to that subject, we all know that today is the 200th anniversary of the U.S. Constitution. And so it is truly a wonderful moment in our history, and a remarkable testament to the spirit and dedication of the American people. The Founders understood that the great strength of the Constitution would be its capacity for change, that this would be a living Constitution, that it would be growing, that it would be evolving with each passing generation of Americans.

The Founders also understood there would be transitions of power between Administrations. However, because they drafted the Constitution at a time when it took literally weeks to travel from the farthest points of the Union to the capital city, they left 6 months between elections and inauguration. They could not have foreseen the great technical advances that would occur over the next two centuries—advances which would make it easier for Presidents to come and go, but which would also raise the stakes for effective transitions. Much more can go wrong today. More positions must be filled. Many more people are involved. More money must be handled.

Some scholars argue that we ought not have a transition at all, that we ought to inaugurate presidents as soon as possible after the election. The 20th Amendment to the Constitution went half way by cutting the transition to roughly 3 months. However, at least for the short term, we are likely to retain our 3-month transition. Thus it is critical to make sure that the transition is properly funded and effectively managed, that outgoing Administrations continue to cooperate fully with incoming, even if the two are from different political parties.

None of this is to suggest that our recent transitions have been ineffective or uncooperative. The Ford-Carter and Carter-Reagan transitions are models for future transitions. Rather, we want to ensure that future transitions benefit from past lessons. We expect incoming and outgoing staffs to cooperate because it is in the public interest, not because of legislation.

However, we can make it easier for both to work together. We might also encourage the two major party candidates to do a little advance thinking about the transition during the general election campaign, perhaps even by providing limited Federal funding during that period. And we can address whether or not Presidents-elect should be in the business of raising private funds for the transition. These are the issues that form the basis for this hearing.

The funding issue is paramount. Though we passed the Presidential Transitions Act in 1963 to relieve Presidents and their parties of the burden of paying for transitions out of their own pockets, Presidents Nixon, Carter and Reagan were all forced to raise private funds for portions of their transition expenses—Nixon, $1 million for the formal November–January transition, which was headquartered at the Hotel Pierre in New York City; Carter, $150,000 for a small planning effort during the general election campaign; and Reagan, approximately $1.25 million for transition expenses during the general election campaign and the formal transition itself.

Presidents-elect have become part-time fund raisers. It should be noted, of course, that such private funds are not covered by Federal election regulations—as I mentioned when Chairman Fascell was here a few moments ago—and they are not, therefore, presently subjected to any audit or disclosure requirements.

If we want to limit the use of private funds—and we may not necessarily wish to make that change—we will need to replace the lost resources. Thus, part of making private funds less attractive is to increase the amount of support that we give to the formal transition. Congress last increased the incoming transition allotment in

1976, raising the amount from $450,000 for the incoming administration to $2 million. Unfortunately, with inflation, that $2 million is now worth about $1.2 million in real dollars.

It is clear, therefore, that the next President-elect will have little choice but to raise private support if we choose not to act to raise the public contribution. At the very least, we need to give serious consideration to attaching an inflator to the transition allotment so we do not have to revisit the funding issue every 4, 8, or 12 years.

Let me put these ideas into perspective. Next year, the Federal Government will give $44 million each to the major party candidates for their general election campaigns and another $8.8 million to the parties for their nominating conventions. Both amounts rise automatically with inflation. It is clear we spend a great deal of public monies to get our candidates elected. The question is whether we are giving enough to get our Presidents-elect started.

This hearing will also ask whether it also makes sense to give the major party candidates some support for advance transition planning during the general election campaign. There is too much at stake to wait until the day after election to set up a transition shop. All of our recent Presidents have started their transition planning well in advance of the election, as they should. The question is not whether such planning should take place, but whether there is some public stake in providing support.

Unfortunately, these efforts are funded outside public disclosure and with minimum resources. Candidates must choose between planning for effective Government and running for election, and we ought to make it possible to do both. How to do it is one of the issues to be explained at this hearing.

There are a number of other issues to be considered in drafting amendments to the Presidential Transitions Act. We are grateful to have the insights of the witnesses at this first day of a 2-day hearing and look forward to their comments on some of these ideas.

Before starting the hearing I would like to submit two items for the record. The first is a statement from former Treasury Secretary Henry Fowler,[1] the second from former Secretary of the Air Force and Reagan transition advisor, Verne Orr.[2]

With those remarks, we thank Dante Fascell again for his willingness to be over this morning and participate. He was floor manager of the original bill that set up the transition funding.

This morning we have three panels. Our first panel is Mr. William Timmons, Reagan 1980 transition advisor, accompanied by William Tucker, Reagan 1980 transition advisor also; and Harrison Wellford, Carter 1980 transition advisor. Gentlemen, if you would take your place at the table up here it would be fine.

Our second panel will be Paul O'Neill, Chairman and Chief Executive Officer of ALCOA and former OMB Deputy Director; Carl Brauer, Director of the Harvard Public/Private Careers Project; Winthrop Knowlton, Director of the Harvard Center for Business and Government; and Stuart Eizenstat, Powell, Goldstein, Frazer &

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[1] See p. 245.
[2] See p. 257.

Murphy—a law firm here in town—who was Carter Domestic Policy Advisor.

Panel 3 will be Ed Harper, Vice President and CFO of the Campbell Soup Company, former OMB Deputy Director; and Stephen Hess, Senior Fellow at the Brookings Institution.

Gentlemen, we welcome you this morning. What we are dealing with is something that appears, to me at least, to be an uncovered part of our election process as far as regulation or accountability goes.

As I said earlier, we passed very strict legislation for coverage of raising of money and the spending of money and the accountability process during the election itself. Then we reach election day and from there on it is almost open season on who wants to contribute what with any amounts that could be used there and possible conflict of interest if people want certain positions in Government or whatever. It seems to me that is one area that has bone uncovered too long. So that is what we are dealing with today.

Mr. Timmons, we welcome you this morning and we look forward to any comments you may have.

TESTIMONY OF WILLIAM TIMMONS, REAGAN 1980 TRANSITION ADVISOR,[1] WILLIAM TUCKER, REAGAN 1980 TRANSITION ADVISOR;[2] AND HARRISON WELLFORD, CARTER 1980 TRANSITION ADVISOR

Mr. TIMMONS. Thank you, Mr. Chairman.

I was one of the deputy directors of the transition in 1980-81 for President-elect Reagan. There are few recurring periods in history, it seems to me, as important as Presidential transition, yet surprising little information is available on their operations, composition, and structure.

Therefore, I applaud the Chairman, members of this Committee and its staff for focusing on this very important aspect of our national Government.

Transitions like we have in the United States are really unique in the world, I think. The orderly transfer of authority is accepted and expected by the American people. In many countries the legitimacy of the new leaders are not always accepted, much less any peaceful transition.

One thing should be clear, I think, at the outset as the Committee looks into transitions, and that is the fact that the incumbent President retains all the rights and obligations of his position under the Constitution until he leaves office and no transition can be successful unless the President and the President-elect are determined to make it successful. They set the tone for their followers and for the Nation, and happily in recent years both outgoing and incoming presidents and their teams have worked very closely together and, I think, have cooperated fully.

I understand the Committee on Governmental Affairs is looking at several aspects of transitions, one of which, of course, is financing transitions. Considering the amount of public monies that are spent for primary elections for Presidential candidates, national party conventions, general election activities and, in fact, the inaugural itself, it seems to me that the funding for transitions is woefully inadequate.

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[1] See p. 154 for Mr. Timmons' prepared statement.

[2] See p. 160 for Mr. Tucker's prepared statement.

Two million dollars stretches pretty thin when one considers the responsibilities of the transition. You not only have to support the President-elect and the Vice President-elect and their offices—and in some cases it is not in Washington, President Reagan maintained an office in California up until he came here after the election. They have to settle their affairs, they have to move. The personnel operation is huge in the sense that you have to interview people, look at them, their suitability for Federal appointments.

There has to be a policy analysis, legislative review. There has to be consultation with the Congress, and there should be consultation with other groups—governors, mayors and so forth—so in those 11 weeks an awful lot has to be done, and $2 million top is probably not adequate.

I cannot say that I can recommend a specific figure that is appropriate for all transitions. They are different. Clearly, a President-elect who comes from this city, serves in the Senate or is current Vice President, or close by, may not have the same requirement as a candidate who is elected from California or Alaska or Texas. Simply the staff support, the distance to travel, all go into figuring the appropriate amount for transitions.

I do support, however, the proposition that the funding is inadequate and should be increased. Also, I am mindful of the need for some early monies during the general election period to pre-plan the transition. It is inconceivable that a successful candidate the morning after his election could put together the transition staff and outline the objectives of that staff overnight. There has to be some weeks of preparation, it seems to me, for a President-elect to be able to smoothly move into the transition, and that requires early funding of some amount.

A "draw-down" right against the public funds may be one approach the Committee would like to look at, allowing each candidate the opportunity to draw a certain amount of money early specifically to plan for the transition. Care would have to be built in, it seems to me, to this proposal, though, to make sure that those funds are clearly separate and distinct from campaign funds.

Also, another aspect of the funding side is that the accounts should remain open, I think, after the inauguration day for some period of time—several weeks or maybe longer—to allow obligations that are pursuant to the law on transitions. It is very difficult to close out the books on inauguration day and I would recommend that the Committee take a look at extending the period of time for utilizing public funds for some weeks beyond the inauguration itself.

I feel that with adequate funding, with a draw-down of some amount for the period before the election, and by extending the period of obligations beyond the inauguration for a couple of weeks, it would not be necessary to raise private funds. I agree with the Chairman. I think that would be unnecessary.

There are several problems, though, that I would like to raise. One is the fact that most transitions use a great number of volunteers. Some of those volunteers are hired at $1 a year for liability insurance purposes. Many are pure volunteers.

I would not want their activities to be considered contributions, in the sense that if you deny any private contributions, I assume that means money and not talent and time. Because there are a lot of people who are not able to leave their current employment to join the transition staff, and these people from academia, from Congress, people who have corporate and labor jobs, have a lot to contribute but their circumstances are such that they cannot leave their employment and they contribute in-kind services in the way of policy analysis and so forth. So I think I would hate to see the Congress try to restrict that sort of volunteer effort.

Also, there are some problems with public funding that the Committee may want to look at, and it is the delay in getting some services through GSA. Specifically, one that comes to mind is the delay in getting printing. We are obligated to use the Government Printing Office and you make a request to the GSA, who in turn sends it to GPO, if they approve it for printing. And that goes at the bottom of the list and the demands of the Government Printing Office are such that it may be weeks before you get the printed documents that you need during an 11-week transition.

Maybe the Committee would consider some allocation of funds directly to the transition, under the President's control, without going through all of the bureaucracy that sometimes makes it very difficult to get payment or to get printing and things like that.

Chairman GLENN. How is that done now? Do you do a lot of private printing, then, to avoid that delay?

Mr. TIMMONS. Yes. That is correct. A lot of printing was done privately in 1980–81 just to get away from the delay. I understand that maybe the First Lady's stationery, for example, and things like that that they needed to have quickly, that they did not want to wait several weeks to go through this process.

Those are minor things but they are important in a transition, and they need access to some funds for legitimate transition activities.

Also, I think it would be worthwhile for the Committee to give special attention to the issue of reimbursable versus non-reimbursable expenses. GSA provides the facility and equipment for the transition team and staff. Happily, they waived reimbursement, I think, in 1980–81. I believe they did not waive reimbursement, though, in previous years. So it depends on the availability of space and equipment.

But that is a confusing aspect. I would propose that if space is available and furniture and equipment is available, that it be given to the President-elect, or loaned to him, for that 70-odd day period without reimbursement.

The same is true, Mr. Chairman, on liaison teams that go into departments and agencies to review their programs and policies and personnel and legislative agenda items. Frequently a Cabinet officer will welcome those transition teams and provide and office and sometimes secretarial support in a sense of cooperation. The outgoing adminstration—the last one—was most cooperative in that, and helpful. That generally was not reimbursed.

The Department of Interior or the Department of Agriculture did not ask for reimbursement. But it is unclear on whether they could or could not, and probably they could ask for some reimbursement for that space and staff. I think it would be good to have embodied in legislation some understanding on exactly what is reimbursable and what is not reimbursable to the transition team.

There are a number of other issues that are very, very important, one of which is moving the budget date forward—that was mentioned in earlier testimony—and perhaps then allowing the new President to deliver a budget message later, providing maybe a month's interval there so that the outgoing administration can propose certainly a current services budget and some time where the new President can then propose his budget.

There needs to be, I think, a clear policy on whether Congressional staff can participate in transitions. In 1980–1981 there was a ruling from the Rules Committee which permitted them to perform certain advisory functions. There is a wealth of talent in the Congress and one that should be available, it seems to me, to Presidents-elect.

There are a number of other issues—per diem rates, authorized travel, moving expenses, Government grants that are made after the election—a lot of issues that deserve the attention of this Committee. I am confident that you will produce a hearing record and legislation which will benefit future Presidents-elect and the Nation.

Thank you, Mr. Chairman.

Chairman GLENN. Thank you. Mr. Tucker, do you have anything to add to that, any statement?

Mr. TUCKER. Mr. Chairman, I have prepared a statement which I will just submit for the record and not take the time of the Chairman and the Committee. There is a correction that I would like to make in the statement on the record. On page 2 I indicate that we spent in the 1980–81 transition in excess of $3 million—I meant in excess of $2 million. We were given $2 million by the Government and then we raised private funds also.

I have addressed the funding issue that Mr. Timmons has and the budget and the Congressional staff, and then access to departments and independent agencies that was a bit of a problem during our transition—the question on the independent agencies. That is set out in my statement. Then, the review of regulatory matters which goes on during a transition, which are set out in my statement also.

Chairman GLENN. All right. Thank you very much. Those corrections will be noted.

Would you wish to summarize the points they make there or are they basically the same as Mr. Timmons?

Mr. TUCKER. The funding is basically the same. There is a problem with some costs, such as transportation and the printing costs that you simply do not have time to go through the bureaucracy and the time lags that are built into using the Government services. I think it would assist transitions if there was some flexibility given to Presidential transitions in certain areas, such as travel and printing of documents.

Otherwise, it is the same. Let me go to the access to department independent agencies. There was a question of whether the individuals that are part of the transition—because they are not Federal employees—so do they have a right to have access to certain material in the independent agencies, such as specific cases that are going on within the agency and adjudicatory matters and proprietary data. They probably should not have access to that kind of information.

But yet there is a need for the President-elect to know what is going on in these independent agencies and to get information so that he can properly address issues and problems that are going to be coming up in the independent agencies in the first 30, 60 or 100 days of his administration. So I think that is a question that the Committee needs to look into and see and decide how far the personnel from the transition can go into collecting information from the independent agencies.

The Congressional staff issue—I would agree with Mr. Timmons, there is a lot that Congressional staff and Congressmen and people on the Hill, a lot of expertise and experience that they can offer to a transition team, but there is a problem with the separation of the powers and exactly what kind of role they should play. We decided that they should play an advisory role and got an opinion to that effect, that people from the Hill could play an advisory role in the transition. But it is a valuable role to the transition and the President-elect.

One other question which Mr. Timmons did not address but we had discussed is, there is always anxiety between the transitions as to whether the outgoing administration is transferring non-career and Schedule C personnel into career-type positions and that causes—I think actually there is very little of that that actually goes on—but it causes quite a bit of anxiety between the two administrations. The Committee probably should address perhaps putting some type of a freeze on the transfer of that type of personnel into career spots for some length of time prior to the President-elect taking office, if for no other reason, simply to relieve that anxiety between the two transition teams.

The last item which I had was a review of regulatory matters. There is also a fear among the incoming administration that the outgoing administration is promulgating and saddling them with a lot of rules and regulations which are necessarily going to be the policy of the new administration. One of the suggestions which we made in the transition report was that for some period prior to the new administration taking office that any rules and regulations promulgated by the agencies be signed off explicitly by the department or agency head and the President himself, so that you would have some protection and relieve some of that anxiety between the two transition teams.

Thank you, Mr. Chairman.

Chairman **Glenn**. Good. Your entire statement will be included in the record.

Mr. Harrison Wellford. You were the Carter 1980 transition advisor. We welcome your comments, but before we do that, we have been joined by Senator Stevens.

Do you have any statement you wish to make?

OPENING STATEMENT OF SENATOR STEVENS

Senator **Stevens**. Well, I am sorry to be late, Mr. Chairman, but I do have a statement. I will just summarize it and put it in the record if you will let me.

I do believe that one of the great problems we have at the time of transition in Government is the problem of attracting people of high caliber to our new administration without regard to which party it is that assumes the control of the Executive Branch following a general Presidential election.

I am extremely concerned that the great disparity between high level private and high level public salaries will mean that the top Government positions may well go begging at the time of a transition, without regard to who wins the election. I think we will be made painfully aware of this critical situation during the period of the Presidential transition when the new administration will seek to fill positions of enormous responsibility.

I think that we are going to have to look at the erosion of Federal pay levels as we deal with this whole subject of transition and the ability for a new President to attract the type of people we would like to see in Government.

I would like the whole statement to appear in the record if you would permit.

Chairman **Glenn**. Certainly, it will be included in the record.

[Senator Stevens' statement follows:]

Prepared Statement of Senator Stevens

Mr. Chairman, I would like to take just a minute to comment on the issue of Federal pay raised by Mr. Brauer and Mr. Knowlton in their prepared remarks.

As you know, Mr. Chairman, in the part I have expressed grave concern over the adverse effect that both the erosion of real income and the growing disparity between high-level private and public salaries have on those in top Government positions and those considering such positions. At no time are we made more painfully aware of this critical situation than during a period of Presidential transition when a new administration must fill positions of enormous responsibility.

Not surprisingly, The 1986 Interim Commission on Executive, Legislative, and Judicial Salaries found evidence of increasing decline in earning power and increasing public and private sector pay disparity. Because of their linkage to congressional pay executive officials have been adversely affected.

For example, the Administrator of the Veterans' Administration is a Level II executive who runs an agency with a staff of 243,000 and a budget over $25 billion. In 1987, he will earn $89,500—the same as Members of Congress. The Secretary of Health and Human Services, running a department which spends around $292 billion a year and employs 141,000 people, will earn $99,500 in 1987. Compare these executives to the Chairman of General Dynamics, with sales of $8.2 billion and 108,000 employees, who received $1 million in total compensation in 1985.

It should not be surprising that "tenure is down and turnover is up" among senior administration appointees. In my judgment, inadequate compensation for both career employees and political appointees is a strong negative factor in our ability to attract and retain our best people for our executive agencies. And although public service is, and should be associated with some degree of personal sacrifice, I believe the erosion of Federal pay levels has reached a point where it jeopardizes the functioning of the Federal Government.

Chairman **Glenn**. Mr. Wellford, we would welcome any comments you might want to make.

Mr. **Wellford**. Thank you, Senator Glenn.

I have had the bizarre experience of having been a transition director in 1976 when Mr. Ford was yielding to Mr. Carter, and then as the transition director in 1980 when Mr. Carter was yielding to

Mr. Reagan. I can tell you that transitioning in is a lot more fun than transitioning out.

But the important thing to note about transition, I think, is that whether you are transitioning in or transitioning out, this country has been blessed by a remarkable amount of good will and non-partisanship among the teams of people that are brought together by the President-elect and the outgoing President to manage this critical time in our democracy.

The Presidential transition period is a unique phenomenon of our democracy. It is unique in its duration, its scope and its general absence of partisanship. At their best, these transitions are a period when citizens of good will put aside partisan passions and work constructively to manage the transfer of power. But because they involve a possible ambiguity of power, transitions are also period of potential peril during which allies and enemies alike sometimes wonder who is speaking for this country.

In the absence of a crisis, the Government enters a state of suspended animation where most important decisions are simply deferred. During a crisis uncertainty and inexperience can increase the probability of a significant blunder such as we experienced with the Bay of Pigs.

The United States overall has managed transitions pretty well up to now. Since the Administration of George Washington gave way to John Adams in 1797 there have been 37 changes of leadership under the Constitution. With the exception of a disputed election in 1876, the United States Government has changed hands for almost 200 years without any serious challenge to the power of the new President.

It should be a matter of national pride that the succession crisis, which is a period of instability and violence in most parts of the world, does not exist in this country. But our pride in the harmony with which power has been transferred in this country should not blind us to the fact that transition is inherently a period of potential peril for our Government and the world.

The 6-month duration of the transition—3 months for the old team to withdraw and 3 months for the new team to get confirmed and fully assume power—is a very long period for the leadership of the world's greatest democratic power to be in flux. Unlike European parliamentary democracies where only a handful of senior policy positions change hands, the entire policy superstructure of the Federal Government in this country—over 2,000 professionals and hundreds of agencies—is replaced in only a few months.

Before January 20th the challenge is to prevent an ambiguity of power from enveloping the outgoing President. After January 20th the danger takes a different form when for 3 months or more an unseasoned President with inexperienced aides tries to direct an unsettled Government. In these circumstances, prevention of a power vacuum, the confusion of the appearance of a dual Presidency, or a breakdown of discipline in the bureaucracy requires considerable good will and team work from people who only weeks before may have been adversaries in a bitter electoral struggle.

It is within this context that I would like to comment on some of the proposals in the draft Presidential Transition Effectiveness Act. That is a real mouthful, Mr. Chairman.

First, I fully agree that transition funding should be increased at least to the level that is proposed in this draft bill. That increase, coupled with a CPI inflator, will ensure that transition funding will keep place with inflation, and I think there is ample justification for that amount of public funding to support this important period.

Whether the source of funds is from the Government or from private funds raised by the President-elect, I strongly believe that expenditures should be audited by the GAO or some other appropriate body and that they be publicly disclosed. I would also suggest that an argument can be made for a cap on the total amount of funding. Whether $4 million is the right figure, I do not know. And I would agree that there should be some exceptions for volunteers such as Bill Timmons described.

But let me give you some of the reasons why I think that an argument might be made for putting some ceiling on the total amount of funding for transition activity, whether it is private or public. First, I think we have to recognize that transitions in the 1970s and 1980s have grown into large bureaucratic machines with budgets in the millions of dollars and separate teams for each Federal agency, any one of which exceeded in size the entire transitional staff assembled by Clark Clifford for John Kennedy back in 1960.

President-elect Carter in 1976 and Reagan in 1980 appointed transition teams for approximately 300 and 1,500 people respectively—a change which was positive in some respects but which also increased the potential for confusion and uncertainty in the exercise of power during this critical period.

It is not just the increase in size that we should focus on. The transition teams have also changed their purpose. The transition teams of the 1950s and 1960s worked directly with the President-elect and served his immediate needs. Those needs were selection of a White House staff, selection of a Cabinet, briefings on world and domestic affairs, preparation of the budget, thank you's and other wrap-up duties of the campaign, policy planning for the first 100 days, and so forth.

In the 1970s and 1980s transition staffs have become more remote from the President-elect and serve many purposes not directly related to his own pre-inaugural planning. It serves as a temporary spoil system to reward campaign contributors and build political bridges to interest groups. It tides campaign workers over until January 20th when they can go on the Federal payroll. It provides a kind of "spring training" for the President-elect's personnel office to try out new people. And it serves as forward scouts for the new Administration in the agencies, showing the flag in the conquered territory and restraining by their presence efforts of the outgoing administration to infiltrate the career service and entrench old policies with midnight regulations.

Because of the change in the scope and the purpose of the transition staffs, I think an argument can be made for putting a cap on the mushrooming growth of these staffs to discourage the temptation to create an instant army of transition staff with all their tendency to interfere and disrupt the ongoing process of Government.

I think that such a limit might reduce the potential for mischief and embarrassment for the President-elect, particularly when the funding is coming from unaccountable funds being spent on inexperienced people, all of whom are jockeying for positions in the new Administration.

In effect, I am saying that a limit would help save the President from his friends. It is a truism of Presidential scholars that the skills an personalities most adept at winning elections are not necessarily the same as those required to govern a nation. Advance men, fund raisers and campaign strategists may be completely unprepared to exercise the day-to-day responsibilities and attitudes of statesmanship.

The President-elect needs time to put some distance between the campaign apparatus and the Presidency. With unlimited and unaccountable funds to spend on immediate rewards to the campaign staff, the temptation to bring the campaign into the White House may be overwhelming.

Let me comment on two other proposals in the draft bill. One proposal is that some funding be set aside for pre-election planning by the candidates who have been nominated by their parties. It is conventional wisdom of many students of the Presidency that the President-elect should have the advantage of sophisticated and comprehensive planning initiated months in advance of his actual election. Presidents Nixon, Carter and Reagan all initiated such planning with varying success.

While I support this pre-election planning in concept, let me suggest a couple of caveats that derive from the experience that I had during the pre-election period for candidate Carter. I think there are three major problems that all grow out of the dynamics of the campaign that tend to thwart the pre-election planners.

First is the attention span of the candidate. The first duty of the candidate is to get elected. In the last 2 months of the campaign when the planners need guidance and decisions, the campaign leadership is jealously guarding the candidate's time and often resents the distractions of issues which can be put off until after election day. Plans, for example, to get candidate Carter to narrow the list of candidates for key Cabinet posts in late October in the 1976 campaign were shelved when the gap between Carter and Ford in the polls began to narrow and the campaign responded with new bursts of demand on the candidates time.

A second problem faced by pre-election planners is the fear by the campaign that news about the candidates choices will leak out and embarrass the campaign. Campaigns typically promise more than the President can ever deliver. Campaign managers, knowing this, like to keep their options open. If several party factions believe that they have the inside track on appointment of a supporter to be Secretary of State, for example, the last thing the campaign wants to do is to disappoint them by premature disclosure of the President's choice.

A third problem is the rivalry which pre-election choices may stimulate in the campaign itself. Nothing is more destructive of unity among the candidate's troops than the rumor that while campaign activists are working around the clock to get the candidate elected, a group of planners is sitting in a back room someplace dividing up the spoils of the expected victory.

This problem was evidenced in the Carter campaign in 1976. A small transition planning group directed by Jack Watson was created soon after the convention with the mandate to conduct pre-election screening of personnel and prepare policy papers on foreign and domestic issues. The Watson group was intentionally segregated from the campaign staff on the theory that otherwise long-term planning could be overwhelmed by short-term crises of the campaign.

But the lack of contact between Watson's folks and Hamilton Jordan's campaign staff while keeping the planners from being pulled into the vortex of the campaign led to misunderstanding between the two groups. Intense press interest frustrated the attempts of the planning group to keep a low profile and led to rumor and speculation within the campaign staff which made it difficult for the planners to market their analysis with the candidate.

Therefore, while I agree that candidates should have the option of using a portion of the transition funds for pre-election planning, use of the funds must be carefully audited and publicly disclosed—obviously, after the election. Otherwise, the temptation to channel funds into campaign activities will be too hard to resist.

Finally, I would like to comment on what is, I think, the most significant potential proposal in your draft bill, and that is, changing the budget process to relieve the budget staff of the trauma of developing a lame-duck budget and make this critical staff available earlier to the President-elect to help prepare him for taking power on inauguration day.

We have discussed this issue in the report that Bill Timmons and Bill Tucker and I prepared for the transition directors Meese and Watson on page 30 of that report. This report has not been formally approved yet, so I gather it has not been officially released. But let me just read you some of the excerpts from the recommendation that was made in that report.

One of the most sensitive transition problems and the one most likely to lead to misunderstanding between the incoming and outgoing teams is preparation of the Federal budget during the transition period. The outgoing Administration is required by statute to present a valedictory budget to the Congress in early January. This budget, while largely symbolic, is nevertheless prepared with all the formality and feverish Government-wide numbers crunching of a normal budget.

The incoming Administration, in order to put its stamp on the Congressional deliberations, seeks to develop a revised budget at the earliest period. This revised budget is real but must wait for the assistance from OMB professionals until the outgoing President's budget is wrapped up—usually well after Christmas.

This potential conflict between an outgoing President who is preparing a lame-duck budget and an incoming President who wants to get on top of his job as soon as possible has been a problem in certainly the last two transitions that I had some experience with.

The outgoing President has got a temptation to play politics with that lame-duck budget. He knows he will never have to defend it, and he can do one of two things, if he wants to play politics. He can come in with a grab-bag budget that promises everything imaginable to every special interest group to try to raise expectations among those interest groups and therefore embarrass the new President when he takes office. Or he can come in with a bare-bones budget that cuts everything to the quick and create a situation where the new President may be embarrassed because he has to propose deficits over that realistic bare-bones budget.

I say these are temptations. I do not think they really happened in the last two transitions. But the temptation is there. We have discussed several remedies to this situation which I would like to just go over very quickly. One is that the policy officials in OMB and agencies prepare a general policy budget or statement which highlights the major priorities of the outgoing Administration but does not propose detailed budgets for each agency and program in the Government.

Secondly, that the career staff might routinely prepare a current services budget to assist the outgoing Administration in this exercise, but the new Administration might be permitted—that is, the President-elect's people—might be permitted to use the career staff to prepared its budget as soon as the current services budget is completed. This, I think, would permit the career staff to start working on a new Administration budget by Thanksgiving instead of well after Christmas.

The requirement that the outgoing President must present a final budget to Congress might be waived altogether. I know that there are a couple of arguments against the proposal. Dale McCumber, for example, one of the most wise professional budgeters of the last decade, sees that there is some advantage in the outgoing President preparing a lame-duck budget. He sees it as a chance for the outgoing party to make a statement about how his policy proposals differ from the other party.

Dick Cheney has proposed that the lame-duck budget is a useful psychological "crutch," for the loser. It allows him to follow through on his policy directions. I would argue that while those are of some interest, that the outgoing President can make a general policy statement to Congress in as much detail as he wishes, prepared by his policy staff, but that the actual hard professional work of developing the real budget that Congress has got to act on to express the wishes of the new Administration should not be delayed by that exercise.

So I think that the proposals that I understand to be in this draft bill make a lot of sense and I would endorse them.

Thank you.

Chairman GLENN. Thank you very much. I would point out, before anyone thinks we have this all drafted up and ready to go—we do not. We have some ideas put down but we are looking at these hearings as exploratory hearings to really direct what should go into that bill. We have put some things down, but those are very, very tentative and should not be looked at as any final bill at all.

I guess with this difficulty, if we want something to be a more residential or a more permanent fixture on the transition scene, can the parties play a bigger role in this? Right now the parties play only a minimal role, from my observation. It is left pretty much up to the newly elected person and his campaign staff to put together what they want to do and the parties are sort of over on the sidelines, maybe making a few recommendations, and that is about the attention they get, too.

Is there any permanent role that the parties should play in this, in your viewpoint? Any of you.

Mr. **Timmons**. Mr. Chairman, may I address that? I think not. A successful candidate clearly should reach out to his political party and try to get their advice and suggestions. Indeed, we tried that in 1980 and 1981 to pull them into the system on personnel and ideas and so forth.

The problem is a practical one in that campaigns generally recruit people who are not party regulars. Because the party should maintain some neutrality in the primary period, you find those people involved with Presidential candidates are not party regulars, necessarily. And they continue on after the nominating convention into the general election.

So you have a group of activists who are not officers of the party involved with the Presidential campaign and they carry on, frequently, into the transition. I think some statutory position for the political parties in the transition is probably not a good idea.

Also, another issue that the Committee is going to have to grapple with is the role of independent candidates that do not have a party behind them. We have had some in recent history, and what are their entitlements in a transition if they should be elected, and also if there should be——

Chairman **Glenn**. Well, if I might add, too, when you make a suggestion that some of these funds should be available before the election, are they made available then to the Libertarian candidate and the Communist Party candidate and so on for transition money?

Mr. **Timmons**. That is a very good point, Mr. Chairman. My view, of course, is to the major parties only. But I know that that would be controversial.

Chairman **Glenn**. Yes. Any other comments on that?

Mr. **Tucker**. I would just add that I comment on that in the paper I presented, that as Mr. Timmons has stated, we have had some third-party candidates—Congressman Anderson, Governor Wallace and other people—who have qualified for matching Federal funds. And so if you provide in some legislation for some free transition planning, I am not sure legally you could deny a party who satisfies the requirements for Federal matching funds in the election, not to also have some of the funds for pre-transition planning.

Now, you might set up some guidelines that they would not meet, but I think that is a problem.

Chairman **Glenn**. Back to the basics of money, what do you recommend on a total amount that should be provided for transition?

Mr. **Wellford**. Well, I think that the—as I remember, the Carter team had, I think it was $2 million; is that right?

Chairman **Glenn**. That is correct.

Mr. **Wellford**. And the proposal on the table is that there would be $4 million. I do not know whether $4 million is enough, given the complexity of what we are talking about, particularly if you put some limits on the private funding that might be available. I do think that the amount is not as important, really, as the way in which the expenditure of the money is supervised and monitored.

I think it is important that there be a general sense that there are accountability and limits on how this money can be spent. There is an awful temptation as soon as somebody is elected to shovel money at the President-elect, and as you pointed out earlier, there is really a kind of gap in the system, that the FEC does not regulate that money and the President-elect is not yet in office, so there is a kind of a hiatus there where it is possible for somewhat irresponsible things to be done. I think we need to look at that very carefully.

Chairman GLENN. Well, I know we do, but what we have to grapple with is, what is a specific figure. We cannot put a "maybe" figure into a bill. We have got to come down with a hard-dollar figure on this and then be willing to defend it and say that this is what it cost before, or did not, or whatever it is.

Let me put it in bare-bones terms. Can you give us a figure on what it cost in the Carter Administration for the total transition, both public and private funds put together?

Mr. WELLFORD. I really do not have that figure. I have talked to Mr. Light about how we could determine that and I do not know whether or not we have been successful yet in getting an official figure. I think that in the Carter transition the amount of contributions from private funds was fairly limited, so I think most of the expenditure was from the Transition Act money.

Chairman GLENN. I do not have a feel for it at all. I am not trying to put anybody on the spot. I just want to get an idea of what we should be grappling with here. Do you have any idea? Was it the public funds plus 200, 500, 5 million—is there a ball park figure of what it cost for transition?

Mr. WELLFORD. My recollection—and you would have to talk to Watson and others who were more involved in the financial accounting of all of this—that, if you include volunteers and all the other ways in which private activity supports the transition staff, that probably we are talking less than $500,000

Chairman GLENN. Outside?

Mr. WELLFORD. Outside, and it may be only a quarter of a million. But it was not very much money.

Chairman GLENN. Why are those figures not available? Were no records kept of that? That makes some of these things more suspect even. Are the records not available for what was actually spent?

Mr. WELLFORD. It seems implausible that the records were not kept. I have never tried to find out what it actually was. I think that your staff has been doing some research on that and perhaps they have had more success than I have.

Chairman GLENN. Mr. Timmons, how about the other side. What cost was there to the last transition, both public and private?

Mr. TIMMONS. I am not sure, Mr. Chairman, either. You had cited earlier, I think, $1,250,000 was raised outside of the public funds. I do not know if that is absolutely correct or not. I have not knowledge of that. There was about $1.7 million spent of public funds, I believe, to bring the total to maybe $3 million, a little in excess of $3 million, perhaps.

Chairman **GLENN**. I do not know that the source of that one figure was. Mr. Light of our staff has that information.

Mr. **LIGHT**. That was based on IRS tax records on the Presidential Transition Trust, Inc. and on what we know from the rollover of leftover primary funds from the FEC to the Transition Trust, which was a private non-tax exempt operation. So that is the bare minimum.

Mr. **TIMMONS**. So I assume it is a little in excess of $3 million; figuring inflation over the last eight-year period, close to $4 million would be a good round figure to talk about, I suspect.

Chairman **GLENN**. Do you think that we could use that and then prohibit private funding?

Mr. **TIMMONS**. I do, particularly if there is an escalator.

Chairman **GLENN**. This would encompass what? Other services from GSA that you would not have to pay for? Would the $4 million cover all reimbursable expenses to GSA for offices and printing and typing and the whole thing?

Mr. **WELLFORD**. Well, I think that is a very important question, because as Bill—as both Bills were point out—theoretically you could charge the transition staff with a very big number for office space, for Xerox machines, for any number of services that involved the use of Government resources during transition. I think that kind of "bean counting" in transition would detract from the cooperation, the non-partisanship that we would like to promote during a transition period.

But there have to be some general guidelines, and right now there really are not very good guidelines. We attempted to provide some advice to the agencies during the Carter Administration, but what I found that we really had to do was to basically say that unless the requests become really unreasonable and a true burden on the agency, just cooperate and let's try to keep a happy family as we go about the transition business.

Chairman **GLENN**. Senator Stevens?

Senator **STEVENS**. As I listen, I wonder whether there is not another approach that could meet the problems of the pre-election transition planning.

Have you gentlemen considered the formation of a group of people who would be prepared to offer to the successful candidate an up-to-date study of the decisions that had to be made, the positions that had to be filled, and the timetable that would face the new President upon being sworn in? And have that delivered the day after the election so that we would not be funding, in effect, minor party candidates as well as the two major party candidates and have people running all over inquiring and interviewing people in OMB, all the agencies and everything else.

It would seem to me that the redundancy of the pre-election problem ought to be avoided if it is at all possible. Have you considered maybe taking someone like GAO and OMB and some third group and putting them together and say, here is money for pre-election analysis and when the election is determined, you deliver your work output to that successful person? Would that work?

Mr. **Timmons**. Senator, that would be very helpful and clearly is something the Committee should look at. However, I do not think it replaces the need for pre-election transition planning because the planners in the phase are really planning the transition. They are looking at people to come in during that 11-week period to work on different functions in the transition itself. That is one responsibility of the planning group.

Second is to start looking at Cabinet-level jobs and potential candidates for those key jobs in the new Administration, so that once the election is over the President-elect can, in fact, name his transition team—they have an office, they have facilities—and also start digesting the kinds of appointments that he wants to make. Those functions seem to me to be removed somewhat from what GAO could do.

But I agree with you. I think GAO or some other agency could very well put together a list of expiring laws and regulations and requirements for some first 100 days of a new Administration.

Senator **Stevens**. Well, I am constrained to say that one of the old wizards that I used to confer with told me that any Presidential candidate who gets his hand caught in a Cabinet will not get elected. I understand what you are saying. It just seems to me that what we are really starting now is a pre-election financing concept that will, as the Chairman mentioned, extend to all of those, perhaps, who qualify for public funding and the redundancy in it is staggering.

Let me ask a question in another vein. To what extent do conflict-of-interest provisions come into play once we turn this into Federal funding? What about the people who come in who are no-compensation people, totally volunteer? What about those who join these forces strictly on an expense basis? And then those who literally come in and become employees but with the full knowledge of everyone concerned that they have no intention of entering the Government?

What do we do with conflict-of-interest provisions for transition team members? I mean, assuming we are spending Federal taxpayers' dollars in it now, I understand the conflict-of-interest provisions would follow those dollars.

Mr. **Timmons**. Currently, of course, there are $2 million allotted to transitions and President-elect Reagan insisted that all the people who worked in the transition be briefed on the conflict-of-interest requirements and that they fill out documents just as if they were Government employees. Those were reviewed by counsel, and so while they were not under the conflict-of-interest laws, they were, for all practical matters, reviewed as if they were under the conflict-of-interest laws.

Senator **Stevens**. Well, should we make that applicable? Should we make them applicable to these people?

Mr. **Timmons**. I think not, because of several reasons. One, I had said earlier that I would hope that volunteers would not be limited in any way and if they are not compensated, it seems to me that category of volunteers should not be under the conflict-of-interest laws. People that come and offer suggestions on policy items, personnel items and so forth I think should not be subject to the conflict-of-interest laws. Otherwise, it will discourage an awful lot of people from participating in that transition phase of Government.

Senator **Stevens**. Lastly, Mr. Chairman, I am concerned about the proposals I have heard that would indicate that we might consider requiring the outgoing President to present a budget prior to the election, which would become an election controversy, and then prohibit that President from taking any action to submit any budget requests after the election, which would, I think, lead to some real problems if we had some sort of a crises that would require funding.

I would hope that we would consider, rather, the post-election function of trying to determine when it is reasonable to expect that the incoming President and his staff could be prepared to submit a budget request and give ample time for that to take place and delay the budget process in the first year of a Presidency, rather than inhibit, in any way, the outgoing President.

Now, that is just a statement of my feelings on it. I think that there is a problem, but I would not want to put restraints on the outgoing President in order to alleviate the problem of an incoming President and his staff.

Chairman **Glenn**. You mean just submit it later in the new year?

Senator **Stevens**. Well, the President does not get sworn in until January 20th and I do not see any reason why we cannot decide when it would be reasonable for him to submit his budget. If that means March 1st, then we just have to realize that all the dates in the budget act are slipped 2 months.

We can, I think, accommodate the transition within the recognition that the President does not become President until January 20th a lot easier than we can in terms of taking away from the incumbent President the powers of his office. That is my position on this.

Chairman **Glenn**. Well, in effect you would be operating on a CR at that point. We have been operating in the last few years on CRs anyway. I would not make much difference.

Senator **Stevens**. No, wait. That new budget is dealing with the next fiscal year that by definition the incoming President is already in the budget year that started October 1st, so he might wish to submit supplemental requests, but, in effect, I would just suggest that maybe we ought to postpone the beginning day of the first 100 days. Maybe they ought not to start running on January 20th and start running some time later.

I have read some of the statements—Stu Eizenstat's statement in particular—about the mistakes that are made by people who made decisions in the transition period and then attempted to implement them in the immediate period right after the President was sworn in. That analysis, incidentally Stu, if I am not here, was very good and very straightforward and honest, too, since it involved a couple of items that you were involved in yourself.

But it is, I think, currently a problem in that we expect the Presidency to be the first 100 days after January 20th. It ought to be the first period of dealing with the problems of the country after the Cabinet has been sworn in, after the sub-Cabinet has been put in place, and after the team has had a chance to start operating as a team. Right now it is presumed that that is January 20th, and the constraint on the transition period, in my judgement, is the immediacy of action that is expected of the new President the minute he steps down from the podium after having been sworn in.

I would like to join you in that study somehow.

Chairman **Glenn**. Mr. Wellford, I understand you have written what has been termed a cookbook on how to run transitions. I do not know whether that is an apt description of it or not, but in other areas of the transition are there things that need legislative changes in addition just to this money?

We started into this basically on a money-concern, that we saw a big gap here where there was too much private funding coming in, the potential for conflict of interest when that is not accountable, it is not made public, it is not required to be reported to FEC or anybody else. We are so careful, right down to the penny during a Presidential election, who can contribute what. If it is $1,000.01 that is a violation of the law and you get called on it, and I know that from experience.

Yet here, all at once we hit that big period and you could go in and contribute $1 million if you wanted to and then just happen to pick up an ambassadorship later, which would have no connection with the gift, of course. But there are all sorts of potential for conflict here that we see.

So out of this cookbook, do you have any other ideas on legislative changes that are necessary, besides just the money concern that we had here?

Mr. **Wellford**. Well, I think that the money issue—as I stated before—clearly involves the question of public disclosure of how the money is used. I think that if everybody involved in the President-elect's transition team understands that there is going to be some public accountability for how the money is spent and activities that it is spent on, that will act as a restraint and create really a more responsible atmosphere for everybody involved.

The conflict-of-interest issue that Senator Stevens raised, I think, is related to this. There is a tremendous demand for information by any incoming transition team. You have hundreds of people scattered out among the agencies. Many of them have had no experience in the Government before at all. They are totally unaware of what the conflict-of-interest laws that we have come to accept naturally here might be, and some of them quite innocently may be seeking information that would be of proprietary interest to their corporations or to their private affiliations.

Those questions, questions that came to me frequently from agency heads about whether or not a certain request for information was appropriate given the background of the person asking for it, were issues that I would call Bill Timmons about that we could deal with on an ad hoc basis.

But I think that some rigorization of the rules about access to information, particularly, of course, where there is any possibility of access to classified information, would be useful.

Now, generally, I think that given the peculiar nature of the transition period, we do not want to hem it in too much by a whole lot of rules and regulations, but the conflict-of-interest area, and particularly the question of accountability of expenditure of funds, are areas where I think we might need more clarification.

Chairman GLENN. Okay. Thank you, gentlemen, and we will want to get back to you, I am sure, with more questions. The more we get into this the more involved it becomes and the more it is not just a matter of money, per se, although that is the most important single factor in it, I think we all agree.

There are a lot of other aspects to it we want to look at, also. So thank you very much for your testimony this morning.

Our second panel this morning will be Mr. Paul O'Neill, Chairman and Chief Executive Officer of ALCOA, former OMB Deputy Director; Carl Brauer, Director, Harvard Public/Private Careers Project; Winthrop Knowlton, Director, Harvard Center for Business and Government; and Stuart Eizenstat, Powell, Goldstein, Frazer & Murphy—a firm here in town—Carter Domestic Policy Advisor.

Gentlemen, welcome to the table and we would welcome your statements either complete or in abridged form. In either event the entire statement will be included in the record.

Mr. O'Neill, would you lead off for us, please.

TESTIMONY OF PAUL O'NEILL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, ALCOA, FORMER OMB DEPUTY DIRECTOR;[1] CARL M. BRAUER, DIRECTOR, HARVARD PUBLIC/PRIVATE CAREERS PROJECT;[2] WINTHROP KNOWLTON, DIRECTOR, HARVARD CENTER FOR BUSINESS AND GOVERNMENT;[3] AND STUART EIZENSTAT, POWELL, GOLDSTEIN, FRAZER & MURPHY, FORMER CARTER DOMESTIC POLICY ADVISOR[4]

Mr. O'NEILL. Thank you, Mr. Chairman. It is a pleasure to be here. Senator Stevens, it is nice to see you again.

Senator, I do have a short statement and I have chosen to focus on the proposal of one idea, but I would like very much to associate myself with the wise things that you heard from Bill Timmons and from the other members of the last panel. Harrison Wellford it seemed to me had some very good ideas.

You have indicated my background. In the time that I was at OMB I was involved in three Presidential transitions, between President Johnson and President Nixon, between President Nixon and President Ford—which was a quite unusual transition—and between President Ford and President Carter.

I might say that my transition involvement in 1968 and 1969 was because I was a professional staff member of the then Bureau of the Budget; I was not an incoming member of a political team.

In my judgment, the most delicate time in the governance of our republic occurs at the time of Presidential transition. In fact, it is perhaps somewhat paradoxical that at the time when a President perhaps has his greatest power, and therefore his team has its greatest power, he and his team have the least knowledge. And it is to that issue that I am the most concerned.

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[1] See p. 167 for Mr. O'Neill's prepared statement.
[2] See p. 169 for Mr. Brauer's prepared statement.
[3] See p. 169 for Mr. Knowlton's prepared statement.
[4] See p. 182 for Mr. Eizenstat's prepared statement.

Even though it is often true that an incoming President has had broad experience in Government, thousands of policymaking jobs change hands in the process of a Presidential transition. While the caliber of new policymakers may be generally high, they have limited knowledge of the full range of issues they will confront and no experience working together as a team. In effect, for a period of 3 to 6 months we have Government by novices. So I applaud you and your Committee for addressing some of the issues inherent in every transition.

I am pleased to discuss any aspect of the transition process you wish to pursue, but I do have one idea to propose, and that is quite much in keeping with what Harrison Wellford suggested, that we modify the current budget and legislative process to provide that in Presidential election years the incumbent President will submit a current services budget on October 15th, before the election, and if the incumbent President loses the election or retires automatically, as President Reagan will do, the incumbent, in my notion, would be prohibited from submitting anything other than emergency budget and legislative requests for the period between election day and inauguration day.

There would be no budget or legislative submission from the incumbent President for the upcoming fiscal year. I might say parenthetically, the reason for my recommendation in this regard is that in my experience there is an enormous commitment of time and human resource effort by the career people, not only in the Executive Office, but in all the departments and agencies of Government preparing the proposals for both detailed budget and detailed legislative ideas for a President who is leaving at a time when those same resources might be pointed, in my judgement, more correctly toward helping to reduce the period of danger that we have when we have people with great power and limited knowledge at the helm.

Now, this change in procedure would have the effect of freeing the career programmatic, analytic and budget staff people to prepare issue briefing documents for the incoming President and staff and to begin working with the new President and staff on budget and legislative recommendations to modify the current services base provided by the outgoing President on October 15th.

And to join in the colloquy between yourself and Senator Stevens, I would not mandate a specific date by which a new President must submit budget proposals. I would make an exception in the year of an incoming President and not require him to submit modifications or a completely new budget until he chose to do so. I would also say to you, not to affront, but that, frankly, the only date that I am sure we have met the mandated calendar on in recent memory are those for the original Presidential submissions.

So I would suggest to you we would not lose anything, at least by current experience, by not having those proposals before the Congress until a new President chose to submit.

I would also say to you, again from sitting through several transitions, that in my experience, incoming Presidents have great motivation to put their proposal before the Congress at the earliest opportunity, so you need not be concerned that they will not come quickly to you with their ideas.

Changing the process in this way would give a newly elected President a much improved basis for preparing his own program as compared to present practice, and could also, I believe, reduce the amount of transition funding required for a new President.

I would like to add one thing—again, sparked by Senator Stevens' remarks with regard to attracting high caliber people—I think it is true that we need to do something about pay practices, but if there was one thing alone that we could do to improve and maintain a high caliber of people attracted to public service, it would be for Presidents and Presidential candidates and political leaders and private executives to stop denigrating the public service. It is something we have done to our own great peril.

Senator, if I can respond to any questions that you and the Committee may have, I would be pleased to do that.

Chairman Glenn. Thank you, Mr. O'Neill. We will move on and get the other statements before we go to questions on this, but I think it would be in order to congratulate you on your own new position. You have made a transition yourself recently. I do not know whether it was quite as traumatic. Maybe it was as traumatic for you personally as it would be for a new President of the United States, but congratulations on your new position.

Mr. O'Neill. Thank you.

Chairman Glenn. Mr. Brauer?

Mr. Brauer. I am going to at this point defer to Mr. Knowlton who will summarize our statement.

Chairman Glenn. Fine. Mr. Knowlton?

Mr. Knowlton. Thank you, Mr. Brauer.

Carl Brauer and I have submitted a 13-page prepared statement.

Chairman Glenn. It will all be included in the record.

Mr. Knowlton. We will dispense with reading that but we would like to highlight several things from it.

First we would like to add our word of thanks to you and your Committee for the opportunity to testify here today. In the United States we pay an extraordinary amount of attention and devote enormous resources to getting someone elected President, but we pay relatively little attention and devote scant public resources to helping him or her get off to a good start once that person is elected President. Therefore, we applaud the Committee for holding hearings aimed at improving the way Presidential transitions are conducted and at helping the next President get off to the best possible start.

Our reflections today are based in part on our individual research and experience—Carl Brauer's historical research on Presidential transitions from Eisenhower though Reagan, and my own experiences in business, Government and academia.

In large part, our comments are shaped by the project we have collaborated on under the leadership of Henry Fowler over the past 2 years and 9 months, the Public/Private Careers Project, which will in early October issue a report with a set of recommendations which are very germane to today's hearing, for they are directed toward facilitating the Government's ability to attract and retain outstanding people from the private sector.

The Project's report grows out of extensive discussions, research and deliberations with several hundred informed citizens, many of them current and former office holders. We recently sent a preliminary draft of the report to a network of people who have been involved in the Project. As of today, 130 people, representing a wealth of experience in Government, business and the professions, have signed on as endorsers of these recommendations. The signers include people who have served Presidents from FDR to Reagan, including a dozen former Cabinet members, many members of the sub-Cabinet, and distinguished elected officials.

We were very pleased to read in the draft proposals of your Committee that your ideas in several important respects parallel our own recommendations. We agree in particular with the idea of making transition funds available to both major party nominees, and we agree with the idea of making job descriptions available to the nominees, though we would suggest that some additional information be collected and made available as well.

We also suggest that orientation be made an important part of transition planning and that sufficient funds be made available for it. Only 20 percent of all Presidential appointees receive any kind of formal orientation at all subsequent to appointment.

We think that ethics legislation and regulations are germane to Presidential transitions where they affect the President's ability to recruit and retrain and retain outstanding people. This is one of the important reasons that we want to have an effective transition for.

We make in our report five recommendations in this area which we think would simplify, clarify and strengthen ethics rules. They would involve simplification and compression of financial disclosure forms, reducing the number of public filings; they would permit non-taxable rollover of divested property; they would introduce civil penalties and administrative remedies in the place of criminal procedures; they would update standards-of-conduct provisions; and they would clarify post-employment cooling-off periods.

We share Senator Stevens' concern about the compensation area. We believe that salaries should be higher for all three branches and that Congress consider trading off back door compensation practices for such higher salaries.

Finally, we share your view that transitions be a public responsibility, publicly financed and accountable, and we agree with your notion of revising the budget process, which will free up budget officials to work with the President who is assuming office, rather than the one leaving it.

We would be happy to answer any questions you may have but that concludes our remarks at this time.

Thank you very much.

Chairman GLENN. Thank you very much. Mr. Eizenstat? Stu was the Carter Domestic Policy Advisor. We would welcome any comments you might have.

Mr. EIZENSTAT. Thank you Mr. Chairman, Senator Stevens.

Transitions are not simply rest stops before the real work is done. Some of the most critical decisions of an Administration are made before the President-elect is formally sworn into office.

For one thing, transitions are used by the President-elect to make the key appointments to the Cabinet, sub-Cabinet and White

House staffs which will be so crucial to the success or lack thereof of his Administration.

For another, transition staffs provide the incoming Cabinet Secretaries and their top aides with a sense of the President-elect's policy priorities, as well as the necessary business which must be attended to early in the Administration, from budgets to reauthorizations for key programs.

Third, transitions are used for setting a framework for decisions, or indeed, for the key decisions themselves, because all Presidents want to appear bold and decisive in their early days in office to set a positive tone for their Administration.

This means that many of the fateful decisions announced in the opening weeks and months of an Administration are effectively made or set in motion during the transition period.

For example, some of the key bureaucratic actions which led to President John F. Kennedy's early decision to approve the Bay of Pigs invasion in Cuba in 1961 were taken during the transition.

In the Carter transition the President-elect decided in December of 1976 to make energy a key domestic priority and announce a major energy plan within 90 days of his inauguration, although energy had not been a major campaign issue. This proved a fateful transition decision for it led to a hurried, not fully considered, comprehensive energy plan for which the Congress and the country were unprepared and which tarnished the leadership image of President Carter by leading to an 18-month ordeal in passing it.

In addition, President-elect Carter and his top economic advisors, together with the Democratic leadership of the House and Senate, made most of the major decisions during the transition period for the Adminstration's generally successful 1977 economic stimulus package.

So too, during the 1980–81 Reagan transition many of the key decisions were made which led to the tax and budget cuts in the first few months of his Administration. Those decisions have set this country on a course of mega-deficits which we have seen ever since.

All of these decisions, therefore, mean that there are inherent dangers because transitions are generally chaotic, in part because of the scramble to raise private funds to support them, in part because of the inevitable conflicts between the victorious campaign staff and the experts-in-waiting seeking jobs and influence. Moreover, transitions do not provide the President-elect with the full resources of the Government and all the data necessary for decisions which are in fact being made.

Senator Glenn's proposals provide an opportunity to rectify some of the weaknesses and problems inherent in transition periods. The proposed legislation would reduce the burden of private fund raising and the potentially pernicious impact of those who contribute to transitions on these key transition decisions. I believe that this Committee should consider building on your work toward ensuring an institutional memory around the Presidency from one Administration to another.

In my opinion, there are two key aspects which must be present in creating this historical memory in the White House—paper and people. One major disability during transitions is the absence of access by the incoming Administration to records, documents and key papers in the Executive Branch bureaucracy. For example, we were refused early access to the career civil servants at the Office of Management and Budget, and their data, by the Ford Administration. And I am not sure we did much better going out for the Reagan Administration.

Even more troubling is the absence of documents at the White House from the outgoing Administration to which reference could be made early in an Administration for important decisions. If I may give you an analogy, can anyone conceive of a situation in which an incoming corporate CEO confronting a major decision would turn to his top advisors and find that none of them had preceded him and that there were no available records on any of his predecessors' decisions, that the offices that he and his new team entered were totally empty and devoid of all past memoranda and files on all major decisions.

How could such a new CEO early in his tenure make major decisions on investments in new plant and equipment? Yet, this is the very situation faced by a new President and Vice President as they enter the White House.

The former President has taken all of his papers to his library—every note and every memorandum. None are maintained or are readily accessible for their successor. A structure such as this makes it virtually impossible from the outset to instill an institutional memory and to make transitions fully effective. Part of the solution is to implement responsible record keeping practices.

The 1978 Presidential Records Act was a step forward in establishing at the very least public ownership of Presidential papers. Up to that point it had been assumed that all of these memoranda belonged to the President and not the people and Government of the United States. But even with that Act, non-personal documents—and I am obviously not referring to personal notes and memoranda—non-personal documents are still not maintained within the White House, nor are they immediately accessible for the new President and his advisors.

Presidential material should be categorized as it is created so that it is readily and immediately available to the next President. Copies should be stored in the White House, or at the very least an index made available to the new team so that those documents could be readily referred to.

Now Presidents and the public must await several years for the publication of Presidential papers or Presidents have to go through a rather elaborate process to get access to these non-personal documents. The new President should have access immediately and during the early stages, and indeed, throughout his term, to the background information on his predecessors key actions.

A second aspect to ensure that historical memory lies within the Executive Office of the President has to do with the people themselves, not just the paper. We are virtually unique in the extent to which we rely on non-career personnel to fill the top positions of our Government relative to almost any other democracy. The difficulties engendered by the reliance on political appointees and their general lack of experience are exacerbated by the turnover in this positions. It is not simply that we have 2,000 new people coming into town. It is that those people themselves generally leave within

2 years of the time that they get their job so that they can put it on their resume and then get a nice job in the private sector.

With the exception of the permanent bureaucracy of OMB and an occasional holdover at the National Security Council, there is almost a total and complete turnover in the foreign, domestic, economic and political staffs at the White House. There is almost no overlap of personnel between Presidents, even down to typist and secretaries.

I certainly believe an incoming President needs to have trusted aides and advisors who share his ideology and can impart his world view to Cabinet departments notoriously driven by their bureaucracies and interests. But there is an equal need for a leavening of the White House political appointees with a small cadre of permanent civil servants who could help to provide a historical memory and policy continuity so lacking in our system, certainly in the early stages. The would from a White House Secretariat similar to those which exist around the Prime Minister's Office in many major democracies such as Great Britain and Canada, to help provide essential continuity.

The need for a White House Secretariat is underscored by the increasing reliance which Presidents, for better or worse, place in their White House staffs at the expense of the line departments, which are the only repositories of the Government's institutional memory. Every President, regardless of his party or ideology, over time begins to see those departments as constituency or turf-driven and relies more and more on his personal advisors.

Major decisions by recent Presidents often demonstrate an ignorance of an issue's historical background—that is, of the lessons of another President's decisions.

The Iran/Contra hearings highlighted this endemic problem. Both Mr. Reagan and his NSC staff failed to appreciate many of the mishaps with Iran that we learned. Jimmy Carter, in turn, in 1977 failed to fully appreciate the ramifications of departing from the negotiating formula President Ford had worked out at Vladivostok in 1974 with the USSR and that in turn led to a delay of 2 years in the conclusion of a SALT treaty.

Our Administration over-reacted to the "discovery" of a Soviet Brigade in Cuba in 1979 which resulted from a blind spot in memory. President Kennedy had sanctioned the presence of limited Soviet forces to help resolve the Cuban missile crisis. This data was not readily available to the White House at the time.

Mr. Ford's suspension of grain sales to the Soviet Union in 1975 was made without recognizing or considering the failure of Mr. Nixon's soybean embargo.

The Kennedy Administration shocked Great Britain when in ignorance of President Eisenhower's private pledge to provide the Skybolt missile as part of Britain's independent nuclear deterrent, the sale was peremptorily cancelled. One could go on and on and on.

A Secretariat would supplement the White House political appointees. No one would think of providing a decision memorandum to a President without including its full budget, economic and political impacts. The Secretariat could help assure that the White House also provided its historical precedents.

The White House Secretariat should be structured in the following way: It should be a formal part of the Executive Office of the President; it should work under and report to the Chief of Staff; it should be comprised of perhaps 10 professionals drawn from the Senior Executive Service. Obviously, some President has got to initiate the process of appointing them, so in order to minimize the chance of politicizing that Secretariat from the outset, those chosen should have at least 10 years of Federal civil service.

A member of the Secretariat should only be removable for cause. Of the roughly 10 members, perhaps half could provide the Domestic Policy Staff with historical precedents and the remaining half could serve the National Security Council.

The Secretariat should do the following things: First, assume responsibility for supervising and cataloguing past Presidential records so they can be easily recalled. It should also help to establish a common database for the White House to use in aiding Presidential decision making. The database at the White House is almost nonexistent in that respect.

The Secretariat should develop and provide historical precedents for major decisions by Presidents and, finally, it should develop a list of key individuals involved in prior decisions so that Presidents could solicit their advise in key situations.

There is, obviously, no guarantee that a Secretariat would assure wise decisions in every case, nor that a President would listen to them. But at least the resource would be available.

When an organization—whether a private corporation or the Federal Government—is able to draw on its past experience, it can help avoid mistakes and improve its performance.

Thank you very much, Mr. Chairman and Senator Stevens.

Chairman **GLENN**. Thank you very much, gentlemen, all of you. We do have a number of questions for you.

I am going to turn the Chair over to Senator Stevens while I run vote. I will get back as soon as I can.

Senator **STEVENS** [presiding]. Mr. O'Neill—Paul—it is nice to see you again and I too congratulate you for your recent success and your comments and we look forward to working with you on some of these items.

I misunderstood part of your proposal. I did not understand really the difference between the services budget and the policy and program budgets. I think that is something we might explore. The exact timing of it would be a question in my mind. But I do believe you are right about the lack of necessity to provide a date for the submission of the budget. There is no reason for it.

And I thank you gentlemen for your study. I have reviewed your paper and have obvious agreement with some portions of it.

And I am intrigued with your concept of the Secretariat, Mr. Eizenstat. I believe that we would find broad support for that suggestion. Properly created, I think it would be a significant addition to our White House concepts and could alleviate many of the problems that some of us see with regard to transitions.

As a matter of fact, I have now witnessed four transitions in the Senate, and we do not have a similar institutional memory, either. Everybody leaves and we have a change of control and suddenly commitments, understandings, practices and even the bases for the decisions as to allowances, to assignments of rooms and everything change. Suddenly we have a new institutional memory and it leads to some of the disagreements.

The final test in our system is when you see someone out of the floor objecting to what someone else is doing. It is a sad situation. We could well learn from that suggestion right here in the Congress, too, but I would be happy to work with you on that.

Gentlemen, I think that the real problem we have got is to decide, in the final analysis, the dollar figure that the Chairman was pursuing. And none of you have offered any suggestion about that dollar figure in terms of how much money ought to be made available to candidates. Have any of you considered that question?

Mr. O'NEILL. Senator, I guess for myself, to the extent we could, I would lean toward putting transition people on the Government payroll, perhaps as consultants, as I know we do now, where we ask for Social Security numbers so that we can do a half an hour check to make sure there is nothing in the FBI files that looks suspicious and then we give people consulting contracts. It seems to me that perhaps $4 or $5 million appropriated to cover that kind of expense could make some sense.

But I would move in the direction of saying that once a President is elected, whether we like it or not, he is, in my mind at least, a Government employee at that point and his associates, by my reckoning, would be Government employees. I do not have a nifty way to deal with the situation that Bill Timmons raises that I found myself in in 1980–81 when I came down at the request of the incoming Administration to offer advice on policy matters and I did it pro bono.

I do not think we should prohibit that and I also do not think that we should unnecessarily give people in that circumstance a consulting contract and pay them if they are willing to do it pro bono, and so it is a messy kind of question. But it does seem to me the facts suggest that we should not have a President in an unseemly way that we have prohibited in the campaign process out raising money for the transition process, and therefore, I would move as far as I could toward putting these people on some kind of a Government consulting contract and getting on with the fact that this is now the public business that we are doing.

Senator STEVENS. I do not disagree, but I remember a study I did once of the War Production Board—$1-a-year people who ran the entire allocation and production concepts of our Government in the period of our worst crisis. They received no compensation. They got the dollar a year so they would be subject to the then existing conflict-of-interest requirements, which were in no way akin to the long checklist that an incoming Government employee must satisfy now.

I have the feeling we ought to find someway to cut through that red tape for the people who are going to come in here who are really pro bono people; we want to have them understand the concepts of ethics that they should live by, but not prohibit them coming in because of some preordained conclusion that if they came from the same industry that they are going to be in any way helping to set up the Government relations to, that they are automatically disqualified.

I do not see that and that is why I asked that question. I think we ought to go back to, some how or the other, the concept that recognizes that there are people with tremendous expertise in the private sector who would be willing to give advice but they do not want to become Government employees. And at the same time, they do not want to have to divest themselves of all the stock they inherited from their father.

I do not happen to have that problem, but there are people that do and I think we ought to take that into account in these transition areas.

Anyone else, is $4 to $5 million the ball park figure? Mr. Brauer?

Mr. **Brauer**. I have not tried to figure out just what it is we need, but some how or other it strikes me as a rather paltry figure given the enormity of the task. I do not know what the annual payment to ex-Presidents is, but I think the combined payment to ex-Presidents and their staffs is probably well above that.

Senator **Stevens**. There are only three of those and there is a whole series of these people that are going to get this money.

Mr. **Brauer**. I agree with what Paul O'Neill was saying in terms of thinking of the President-elect as really effectively becoming a Government employee. I recognize the difficulties that we have with the ethics rules, but it seems to me that what we should be doing is looking at the ethics laws sort of across the board, and we have a number of suggestions vis-a-vis those ethics laws.

Therefore, what one of the thrusts of our testimony is is to really broaden what the Committee might be doing so it is not just looking at the compensation that is necessary to run the transition, but to really think about how you can make for a more effective Executive Branch transition.

You have to look at the way the ethics laws and regulations are working and you have to look at compensation as well as transition per se.

Senator **Stevens**. Gentlemen, I am going to have to go vote. Just stand at ease and wait for the Chairman. I am sure he will be right back.

Thank you.

[Recess.]

Chairman **Glenn**. The hearings will be in order.

I am sorry for the truncated nature of the operation here today but that is one of the hazards of working on Capitol Hill.

Just a couple of comments. Mr. O'Neill, your talking about the denigration of public service strikes a chord around here, obviously. I do not know how we alter that. I guess our republic has been saddled with that in all of its 200 and some-odd years. If you go back and look at some of the old political cartoons and so on of old days and read some of the things that happened back in those days, it has been ever thus, and I do not know how we change that. I wish there was some way to change it because I am afraid that a lot of times people who should be in public office do not want to even run, do not want to volunteer for Government service just because of that.

Mr. **O'Neill**. May I comment on that, Senator?

Chairman **Glenn**. Sure.

Mr. O'NEILL. A number of us who have served in the Government and now are in the private sector feel so strongly about this that we have formed an organization called the Center for Excellence in Government, and we have a number of different agendas. But one of our agendas is to try to work with Presidential candidates to at least get Presidential candidates to understand the implications of their denigrating public servants.

For me this is fairly personal. I came here in 1961 because I believed in what John Kennedy said, that this was the highest calling, and I think we could do an awful lot of good if we could simply get Presidents to say again, this is the highest calling one can have. So I do not think it is hopeless. Perhaps we will see a change in the way public service is characterized to our young people so that our own children will be interested in coming to the public's service.

Chairman GLENN. Well, the question arises for all levels of Government service, whether it is appointive or elective or whatever; are we really getting the finest people in this country to run for public office or to volunteer for public service, and I will just leave that as an open-ended question. I have my own ideas about it, obviously.

Mr. Knowlton, too, you talked about salaries and supported Senator Stevens in that. I was the one that led the Floor fight for the increase in Congressional salaries from which other salary scales flow across the Government, and that was not a very pleasant experience. I can guarantee you that I took my lumps on that one and still have them. But I still believe that we should have had guts enough to do what had to be done at that point so we could have then gone ahead across the other areas of Government and done the things that had to be done to be competitive so we can get people in the Government.

I know people do not come into Government just on a pay scale normally. But it has to be a factor to be considered. You cannot be so far off that you are just out of the ball park on competition and expect people who are not wealthy to come in, good public servants, and do the things that should be done in Government.

If we are to become only a Government of millionaires, why, the country would be at a loss because of that.

Mr. Eizenstat, I am much interested in the White House Secretariat idea. Would these be basically historians of Government? If so, is not that historical record of Government—what happened, what the records are—also carried in the other departments, in State and Defense and other places, if it could be made available?

Mr. EIZENSTAT. Well, I would hope they would be something more than mere historians. I think that they ought to be people who are skilled at working with agencies at helping to develop precedents and looking at the relevance of precedent to a particular decision.

But the problem with using only historical records that are in agencies is at least two-fold; number 1, Mr. Chairman, as I indicated, Presidents for better or for worse over time, and this is quite apart from party, simply are relying less on their line departments and more on their Presidential advisors, so that the information often simply does not get over from the bowels of the department to the White House.

Second, a lot of the data that a President ought to have to make a decision—for example, own what one's Iran policy should be—would be information that would have been generated within the White House and it would not be in an agency, even if it were catalogued adequately in agencies. So that there is a need for White House record keeping.

That is why I suggest not only a Secretariat, but changing the Presidential Records Act of 1978 so that we keep a catalogue of decision memoranda and of the backup documents so that a President and his advisors could draw on those. A Secretariat could certainly help do that.

Mr. O'NEILL. Senator, would you permit a cross-comment on the Secretariat idea?

Chairman GLENN. Sure.

Mr. O'NEILL. It is very interesting to me, if one goes back to the period before 1968 and looks at the operation of the Executive Office, most particularly at the Bureau of the Budget operation of the Executive Office, conditions were different in some important ways. Until 1974 the Director of Office of Management and Budget and the Deputy Director of the Office of Management and Budget were not confirmed officials.

I believe we made a serious mistake in 1974 when we made both of those positions subject to Senate confirmation. I believe it is probably correct that the Director be subject to Senate confirmation, but the consequence of that Act having been taken is that now we not only have a political official at the top of the institution, but the second official, and in fact the third level of OMB is now political to the extent that even within the Administration, for example, when Mr. Miller became the Director of OMB, he brought in a whole new group of people—not only a second person but, not at the second level, but the third level of associate directors were all changed.

In 1968 when President Johnson left and President Nixon came, Sam Hughes—who had been there, and you may know him, was the Deputy Director and had been there for 30 years—was a transition official who had the institutional knowledge that Stu is talking about. And Sam Cohen and some of the other assistant directors that were in effect our permanent Government memory were still there.

As a consequence of what we did in reaction to Watergate and the impoundment effects, I think we have profoundly changed our institutional memory capability and frankly, rather than creating a new institution, I think it may be worthwhile to re-examine what we expect the Office of Management and Budget to be as a part of our institutional Government.

Chairman GLENN. It is difficult to know what we can do legislatively to provide this. In the parliamentary system it is provided more by the party and that is a natural function of the party. They are the institutional memory, they have the ins and the outs, you have a shadow Cabinet and they follow things on a day-in, day-out basis and they have the records within the party.

We do not have anything like that here under our different political system.

Mr. **Eizenstat**. Mr. Chairman, if I might comment on that. In the British system—I remember meeting, when Prime Minister Callahan came over with the head of the Prime Minister's Office, and I asked him about his background and he said, well, he had had the job under Mr. Heath.

I said, well, how could you serve Heath who is a conservative and at the same time serve Callahan, and this is where we got into the discussion of their Secretariat. So they do have more highly developed party structures than we do, but nevertheless, they do have the Secretariat.

If I may also, on Paul O'Neill's comment—Paul may remember, there was a fellow named Bill Hopkins who used to be the White House clerk through the Johnson Administration, the Kennedy, the Eisenhower—I believe he went back to the Roosevelt Administration. He was about as close to an institutional memory as one could have, at least in remembering that, hey, this is a decision we looked at in the prior Administration, let me see if I can get you some material on it.

He was sort of a one-man gang. There has been nothing like that since. Again, I respect the OMB bureaucracy greatly. It gives you an institutional memory on budget issues. But on other policy decisions—foreign decisions, broad domestic policy decisions—there is still a need for an institution that will give you the same type of institutional memory OMB's bureaucracy provides for budget issues.

Chairman **Glenn**. Well, bringing out the OMB thing is a good thing to do, also. I have said at confirmation hearings in the past when we have had OMB directors up for confirmation—I shocked one of them in particular, once—but I said that he was the most important man in Government outside the President; he was the number 2 man in Government.

I believe that. He is the one that massages these things and then tells people no you cannot, yes you can, and gets the President's stamp and away we go. He is far more important than a Vice President as far as the functioning of Government and what our policies are. I just add that as a comment.

Mr. Brauer, you are one of the experts on Presidential transitions. I do not know whether you talked any while I was gone or not. I had not asked you anything directly.

Do you have any one transition, or is there a model for conducting Presidential transitions that you could give us, as a student of this? And where should we go with it? How do we set limits on private funding? Are we being too prescriptive? Are we addressing a problem that really is not that much of a problem?

Mr. **Brauer**. Well, I think that the problem is the broader problem of the Presidency and the institutional memory and the functioning of the Presidency which Stu Eizenstat has addressed in part. And the problems go beyond his suggestion.

Secondly, our concern has been with the ability of the president to attract and retain outstanding people in Government, which is something which over time, I think, the President's power to do so has really been eroded as a function of a number of things; some cultural, which Paul O'Neill alluded to—the denigration of public service from the sort of high point of the early 1960s to where things are today.

I would not carry that too far. There are still many, many people who serve for the most altruistic reasons, and members of this Administration and I am sure the next Administration will serve for highly patriotic reasons and not to have their ticket punched, or the like.

But we have been concerned with a general erosion in a President's ability to attract and retain people. That is where the compensation issue where you took a lot of lumps, and there are those of us from outside who respect very much your outspoken and very courageous stand on that issue. I know personally, from going on television and radio stations around the country at the time, that you are regarded, when you advocate higher pay for Government officials, as some kind of a crackpot.

Chairman GLENN. I would have been better off had the Senate not decided to go on TV just before that. [Laughter.]

Mr. BRAUER. So our proposals are really aimed at trying to cut across a whole number of things in the transition area, but also in the ethics area and the compensation area, which we hope will facilitate the next President's ability to govern.

To answer your question about a model transition, there is no model transition. There are different parts of particular transitions that I think were done in an exemplary fashion. For example, I think President Kennedy did a very good job in the personnel area. It was a very serious attempt to recruit people and not just place people, and I think that is very important for future Presidents to bear in mind.

President Reagan did, I think, an exemplary job in seizing the agenda. President Eisenhower did a superb job in the whole area of foreign policy transition decisions. He inherited the Korean war and ended the war within 6 months of assuming office. And if I had to point to a single great sort of transition decision, or a series of events, I would point to the ending of the Korean War and Eisenhower's role in that.

But there are also certain recurring mistakes that are made over and over. There are mistakes that grow out of hubris and overconfidence, and of an inability to listen to their predecessors as they leave office. They can be mistakes of continuity, of continuing certain policies that they inherit.

Stu Eizenstat's comments on the Bay of Pigs and the importance of a Secretariat, I would also like to amend by saying that one of the problems with the Bay of Pigs was that you had continuity of policy. You had career officials in the Central Intelligence Agency, and non-career officials such as Alan Dulles, who were continued in office by President Kennedy, who had hatched this plan under Eisenhower and it just went forward under Kennedy. So continuity of policy can lead you to some disastrous consequences as well as discontinuity of policy.

In my view, there is no sort of cookbook solution to transitions, because the conditions change, the personalities change. But one thing I think that Presidents ought to do—and here is where I am very sympathetic to what Stu Eizenstat is proposing—is they really can learn from history, and so can their advisors, and a little bit better sense of what happened before and some of the terrible disasters that befell people before can have a particularly helpful effect during transitions when people tend to feel that the world is their oyster.

Chairman **Glenn**. Would a budget delay such as Mr. O'Neill is talking about, or leaving that as a potential, would that just keep things in limbo even longer before they get things sorted out? Or do you think that would be a good idea?

Mr. **Brauer**. Well, I think a delay is a good idea. I do not have any difficulty with setting a particular date, however. You know, March 1st strikes me as a reasonable date. You might want to set it a little bit earlier or a little bit later. But I certainly agree with Paul O'Neill that new Presidents have very strong incentives of their own of trying to seize control of the Government and get some things done, so that they are not, in all likelihood, going to delay a budget indefinitely anyway.

Chairman **Glenn**. One thing I would advise all of them to do, just in my 12½ years of experience around here is, when they make a transition, for heaven's sake, get in league with whoever is in Congress so that when they send something up here, they come in thinking they are omnipotent or something down there and float things up as though we are supposed to put a rubber stamp on their big budget, and that is not the way our balance of powers works and it is not our mission at this end of the Avenue to be a rubber stamp for anybody, whether you are in the same party or not.

Mr. **Brauer**. Right.

Chairman **Glenn**. So I think whenever it gets submitted, if there can be some advance work with us up here, then we can hit the ground running and try and get things done here, if possible. I just put that out for free. That is not a question.

Mr. **Eizenstat**. Mr. Chairman, may I comment on the budget timing?

Chairman **Glenn**. Sure.

Mr. **Eizenstat**. I think that the notion of having a current services budget for the outgoing President is a very interesting one and I think in many respects a very good one, because there is an incentive—and we certainly fell into it as much as any other outgoing President—to put in things in the budget which have a political twist and very little chance to pass in a way of contrasting with the person coming in.

I would like to make, however, two comments. Number 1, I think requiring a current services budget to be presented October 15th for a President who is running for re-election is a very difficult problem. Because then you are not permitting him to indicate what it is he wants to do and try to explain to people that this is only a current services budget, it is not what I would really do if I were re-elected, becomes something very difficult; indeed, I think impossible.

So I would suggest that if there is to be a current services budget, it be submitted after the election rather than before.

Second, requiring the incoming President, as this proposal in Title 2 would do, to submit a full budget request on the first Monday after February 1 is much too tight a timetable. We have been talking about the difficulties of making mistakes in the early weeks of an Administration, indeed forcing decisions into the transition, and I would much prefer to see a March 1 date rather than February 1, just to give an incoming Administration a little more time.

Chairman GLENN. We are going to have to move along. I have an amendment they are waiting for on the floor. In fact, they are in a quorum call over there now awaiting my getting there and I do want to finish the hearing here. So we will move along now.

Thank you, gentlemen. We will be back to you on this.

Our last panel, Ed Harper, Vice President and Chief Financial Officer at Campbell Soup Company, former OMB Deputy Director, and Stephen Hess, Senior Fellow of the Brookings Institution.

Welcome gentlemen, and we would welcome an abridgement of your testimony if such is possible without losing its main points. In either event your testimony will be included in the record in its entirety.

TESTIMONY OF EDWIN L. HARPER, PH.D., VICE PRESIDENT AND CFO, CAMPBELL SOUP CO., FORMER OMB DEPUTY DIRECTOR;[1] AND STEPHEN HESS, SENIOR FELLOW, THE BROOKINGS INSTITUTION [2]

Mr. HARPER. Thank you very much, Senator.

My name is Ed Harper. I have been involved with the Presidential transitions, as Paul O'Neill was, as a member of the professional staff of the Bureau of the Budget in 1968 and then as Director of the Policy Staff in President Reagan's 1980 transition, and subsequent to that as Deputy Director of the Office of Management and Budget. Also, I thank you and the members of this committee for my confirmation a few years ago.

One of the most important issues raised at this hearing is the elimination of private resources in the transition process in return for somewhat more generous Federal funding.

This is a valuable proposition, but the issue of volunteer services is one that is quite critical. There are several questions that you and Senator Stevens have asked this morning about what is the overall figure we ought to be targeting for in the transition. I believe the numbers you have been given exclude the value of the volunteer services and that they would increase that figure substantially.

Under the laws operative with the 1980 transition, we were able to recruit an impressive array of volunteers given time off from their employers with pay to staff the 90-day transition effort. In addition to university professors, students, and retired persons, we were able to recruit outstanding scientists, economists, and executives from America's leading corporations to assist in the transition effort.

Unless specific exclusion were made which would allow companies, partnerships and so forth to compensate volunteers while they are serving the transition, the proposed legislation could have the effect of robbing the transition of one of its most precious assets—the talent and enthusiasm of those who volunteer to help the newly elected President.

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[1] See p. 195 for Mr. Harper's prepared statement.

[2] See p. 200 for Mr. Hess' prepared statement.

Few people can afford to quit their current employment for 3 months, or even eliminate that compensation for that long a period of time. I would suggest that any legislation explicitly exclude from the ban on private contributions, the contribution of services in kind. The conflict-of-interest procedures established in the Reagan transition of 1980 adequately guard against the kinds of problems we are all concerned with.

On one other issue of funding, members of the Committee and Senator Stevens, I know over the years, have expressed concern about the issue of moving allowances. Some sort of moving allowance is appropriate. However, I would point out that we do not yet provide moving expenses for the new Members of Congress or new Presidential appointees.

My firm's average moving expense of a home-owning employee in 1986 was $33,400—substantially in excess of what is contemplated by the legislation. Not providing some kind of adequate moving expense represents an unreasonable financial burden on both new Members of Congress and Presidential appointees.

One possibility might be to use one of the devices presently in the tax law and allow persons—perhaps new appointees or new Members of the Congress—to realize a gain on their home without having to pay the tax on that gain. That would be one way to affect the funding.

With respect to the overall cost, those in the 1980 transition, with an appropriate inflation adjustment, are probably appropriate. One insight into that came from a recent conversation I had with Penn James, who was the personnel director, the recruiter, for the Reagan transition. He mentioned to me that fact that in 1980 a petition was made to the Federal Elections Commission to see if campaign funds might be used for the purpose of staffing the pre-election executive recruiting activity of the campaign for the new Administration.

The answer of the Commission was "no," that campaign funds could not be used for that purpose. They then asked the Commission if it would be allowable to solicit private funds for that purpose. It was allowed. They raised approximately $80,000, which funded the executive recruitment operation during the months, I believe, of August, September and October prior to the election.

One other topic, on which I might briefly comment is the budgeting process. Stuart Eizenstat has pointed out some excellent reasons why limiting an outgoing President to submitting either no budget or a current services budget is perhaps an inappropriate limitation on the powers of a sitting President. There are some temptations for Presidents leaving office to express their own views of the future at a late date in their Administration. But I feel that it would be inappropriate to prohibit them from doing that.

I would also like to support the views of Paul O'Neill that prior to the requirement for Senate confirmation of the top officials of the Office of Management and Budget and making the third level of personnel in the OMB political appointees has, perhaps, diminished the OMB's utility as the important institutional memory which it served for so many years.

At this point, Senator, I will conclude my remarks.

Chairman GLENN. Fine. Thank you very much. Mr. Hess?

Mr. HESS. Thank you, Mr. Chairman.

I appreciate the opportunity that your Committee is giving me to think again about Presidential transitions. My overriding conclusion is that the part of the transition that takes place between election day and inauguration day is much too long. I believe this for all of the standard reasons—that is, that it creates an unnecessary period of danger abroad and drift at home—but I also believe that the 10-week extended transition period may actually increase the difficulties of forming a successful Administration.

The most basic work of this period is the choosing of less than 100 executives for the agencies and White House, a task that only can be accomplished by the President-elect, assisted by a small group of intimate advisors. The rest of the Administration should not take shape until these 100 appointees have been selected and can then take part in choosing their subordinates and their Administration's policies. Most of the other activities amount to "make work," tasks created to keep people busy while the inner circle goes about its business. Some of these duties are marginally useful, but others can and do cause problems for the President-elect.

My major recommendation is a constitutional amendment to change the inauguration date. This was done once before, in 1933, when the 20th Amendment ordered the Presidential term to begin on January 20th, with the new Congress to start on January 3rd. Thus there is presently a period of from 73 to 79 days between the time a candidate is elected and takes office. The Congressional interregnum is now from 56 days to 62 days.

I would like to see this change-over period reduced to a month. Therefore, I propose a December 8th date as the new inauguration date, with the Congressional session to open on December 3rd. This means that the maximum number of days between the Presidential election and the swearing-in would become 36; the minimum number of days would be 30. For Congress the range would be 31 to 25 days.

My observations from various vantage points during the last four Presidential transitions lead me to believe that the value of the work performed is greatly exaggerated. In the 1980 transition, by far the largest and most elaborate in history, Carl Brauer rightly noted:

> What residents and observers of Washington saw was the blizzard of task forces, committees and teams that Edwin Meese devised in part to reward, flatter and occupy the conservative faithfuls.

Transition organizations are ad hoc arrangements. Yet, as the apparatus becomes larger and larger there are some who see them as an end in themselves rather than a means to establishing more useful Presidential administrations. There is an analogue to this in the temporary arrangements of Presidential campaign organizations out of which many of the transitioners have come. Within the transition organizations there are now conflicts between the "politicians" and the "experts," those who are there because they helped the candidate get elected, and those who are there because of special knowledge of how Government works.

Transition organizations are under added stress because many of the workers in them are also hoping to find jobs in the new Administration. So much of the time of most of those involved is spent bickering and/or gossiping. Indeed, the production of misinformation is so substantial as to eat into the energy of the small circle of those who really are advising the President-elect. As Ed Meese was fond of saying in 1980, "Those who know aren't talking, and those who are talking don't know."

Regardless of claims to the contrary, no new Administration hits the ground running. To get some quantifiable notion of how much is actually accomplished during the transition, at least in terms of personnel selection, I added up the nominations of Presidents Nixon, Carter and Reagan submitted to the Senate during their first month of office in 1969, 1977, and 1981. There are about 500 jobs in the Cabinet and Sub-Cabinet that rank in the Executive Schedule Levels I–III.

Nixon sent 85 names to the Senate, Carter and Reagan 40 each. In rough terms, then, the election to inauguration period probably only produced between 8 and 17 percent of these key jobs.

Since very few of these names were surprises—persons who had not been friends of the candidate, campaign workers, contributors, or previous Government officials—there is no reason why they could not have been produced by a shorter and leaner transition.

A shorter and leaner transition would mean more reliance on holdovers and members of the permanent Government. Exiting officials are usually anxious to impart the nitty-gritty and the pitfalls of their jobs to their successors, even if they are of an alien party. The successors are usually uninterested in learning from others' experiences. Eventually they too become exiting officials and feel otherwise.

At any rate, a shorter transition might alter this relationship; it would not make it worse. The relationship between incoming personnel and the civil service depends in part on the degree to which the President-elect had campaigned as an outsider, running "against" Washington as did Carter in 1976 and Reagan in 1980. But as Lincoln Bloomfield writes, "The outsider's glib assumption that career civil servants will be disloyal to a new Administration is an unwarranted calumny based on ignorance."

A Presidential transition, of course, is more than a 10-week period between the election and the swearing-in. Generally some transition work, though not much, is done before the election, while most of the really hard labor comes after the inauguration. A sensible transition plan, in addition to decreasing the election/inauguration period, should aim to increase pre-election planning if possible.

The problem, obviously, is that the candidates and their inner circles must dedicate themselves to the job at hand, getting elected. Transition planning is low priority and even may be counter-productive if it causes squabbles among the staff. Pre-election transition operations should be encouraged but should be placed under the aegis of the party's national committees and paid for with Federal funds. Funding might be in the range of $1 million for each party.

The inducement of public money, which would be audited and could not be used for other purposes, gives new responsibilities to the national parties. The separation between the candidates and the parties has been of growing concern to political scientists and perhaps transition planning can be used as one bridge to narrow the gap.

The proposed constitutional amendment has the added dividend of discouraging lame-duck Congressional sessions. Since 1933 Congress has held 10 post-election sessions. At the last lame-duck session in 1982, 19 percent of the House were lame-ducks, and there were 5 lame-duck Senators. Lame-duck sessions, in the opinion of Senator Pell, a veteran of four lame-duck sessions, "are nearly always unproductive, sharply criticized by the public and the news media, and may result in actions unrepresentative of the will of the people."

A transition, by definition, is a transitory state, a passing from one stage to another. Altering the transition, then, is likely to have some effect on what comes before and what comes after. I am proposing a plan that I feel is least likely to produce unanticipated consequences and that is politically feasible if there is the will to tackle the problem.

However, I should note, it is not the design that I would chose if I thought we could start again from scratch. For those who care about thinking about what might be, let me suggest in closing that the best time to hold Federal elections is in late May or early June when the weather is most agreeable in most of the United States, and hence the voter turn-out might be greater. The inauguration would be held a month later, perhaps on every fourth July 4th. Starting Presidential and Congressional terms at the beginning of summer would put the Government in phase with other major employers who have already figured out that this is the best time of year to transfer workers to new locations.

Such a scheme might also involve holding the Presidential nominating conventions in April, preceded by State primaries and caucuses in January, February and March. This would compress the period from the Iowa caucuses and the New Hampshire primary to the inauguration into less than 6 months, half the time it takes under the present system. At any rate, Mr. Chairman, consideration of an amendment to change inauguration day might inspire us to rethink the whole Presidential selection timetable.

Thank you.

Chairman GLENN. I am intrigued with some of your suggestions, Mr. Hess. I am not sure we can get them all through in time for next year's election. [Laughter.] But I am not making light of them at all. They are well-reasoned and I do not disagree with all of them at all by any means.

Do you have any feel out of your studies on what money is required for this? Now, if we scaled it down to the few positions that are necessary and compressed the time period and then let these other positions be filled out over a more lengthy period of time, which would be what you would have to do if we went to your proposals, what dollar is there? Are we at $2, $5, $10, $20 million operation? What are we?

Mr. Hess. Well, I have learned a lot this morning. I learned from your initial figures that the $2 million is down now to really $1.2 or $1.3 million. So I certainly believe in the talking point of having an inflator and getting it back up to at least what it was then.

Chairman Glenn. The $2 million was not a magic figure then. Nobody knew whether it would work or not. There is nothing magic. What I am trying to get at is somebody's feel for what is really to do the job. It may be $2, $10, $12 million; I do not know.

Mr. Hess. Well, as you know, I am suggesting an additional $1 million which would be specifically designed to encourage pre-election planning.

Chairman Glenn. But you would have that done mainly by the parties?

Mr. Hess. By the parties. Now, I heard our friend Bill Timmons argue against that and I respect him deeply. But I think that Mark Hanna and Jim Farley would probably turn over in their graves. Parties are supposed to be in the business of taking responsibility and there are all sorts of types of work that could be done by the parties.

In fact, I did a study of transitions for Bill Brock when he was the Chairman in 1980. That was to be turned over to the nominee of the party at the convention. So that there is no reason not to do it. The work that I think Paul O'Neill outlined that is now being done by the Committee on Excellence in Government, dealing with job descriptions and so forth, could well be done.

And by the way, I see no reason why the Committees could not sub-contract to think tanks, to universities, to consultants or others.

Chairman Glenn. What would you do with the Communist Party, the Libertarians, the peoples' rights for whatever party that crop of every time. We wind up with 15 or 20 different people actually on the ballot, and validly so. I am not talking them down.

Mr. Hess. Well, I would treat it exactly as we do for campaign financing.

Chairman Glenn. A threshold?

Mr. Hess. The major party the same way that we do now. If John Anderson had enough votes—which he did—and he chose to go into business as a permanent third party, he would then in the next election be entitled to this sort of help just as his——

Chairman Glenn. But for pre-election planning you would not know what percent of the vote they were going to get or what their threshold vote was until after the election. So they would not be eligible, I presume.

Mr. Hess. They would be eligible the second time around.

Chairman Glenn. Or would they? Let me ask the question. Would they?

Mr. Hess. Not initially, no. Ed and I could not decide we want to form a party and expect this sort of money. Now, if our party was successful up to the threshold, we would be entitled to it the second time.

Chairman Glenn. Mr. Harper, you were one of the people responsible for policy planning in this Administration. Would you favor moving to—let's you and him argue about this, I guess, is what I am saying. [Laughter.] What do you think of this idea?

Mr. **Harper**. Well, I think that there is a lot of merit in the idea of trying to telescope the timing of the activities. I think we would probably find that each President might have a different idea of which are the most important functions to be done during the transition.

I am not in a position to evaluate all of the functions of the 1980 transition. Those that I am most familiar with are in policy formulation and the selection of the key Government executives, which I think went very well. I do not know if we could have done it with fewer people.

Chairman **Glenn**. Do you think this idea of concentrating on fewer people, the 40 or 50 that really are the ones that are going then to do the other selecting on downhill and concentrating on that and stopping all of this grandiose committees, functions, people racing around here during transition with all sorts of committees and groups and advisory panels and so on—have we overdone it?

Mr. **Harper**. Well, as I say, I am less well equipped to talk about some of those panels than I am the policy unit, which amounted to about 30 people. We did have to find those people more or less instantaneously for the purpose of kind of applying the campaign rhetoric and the campaign promises down to the specific things that had to be decided.

Chairman **Glenn**. I do not want to speak for Mr. Hess but I think he would say that most of those people in the very key positions were probably pretty well thought out before the election, or there was at least some idea of it and within 2 or 3 weeks after the election you could really decide those few people. And so you might just as well get on with the business of swearing them in and getting the Government going and he is proposing December 8th as the swearing-in date.

Would you be against that or for it?

Mr. **Harper**. The December 8th swearing-in date sounds great. I did find, having been both on the giving end of the transition and the receiving end in the Administration, that the policy activities we engaged in during the transition were very useful and very helpful to the President-elect.

Chairman **Glenn**. I understand too, before I leave—and I do have to leave and go to the floor because my amendment is up over there very shortly. It is on an extended roll call until I get there, I understand, because of the parliamentary situation. So I am going to turn this over to Senator Stevens here.

Senator **Stevens**. I have no questions. I just came back in to hear the balance of it, Mr. Chairman.

Chairman **Glenn**. All right. Mr. Harper, you also had a statement on our bill, I believe, on the Chief Financial Officer of Government. I will not ask for your testimony on that today. We may want to call you at a later date.

I would appreciate having that statement, though, and we could enter it in the record as your statement on that.[1]

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[1] See p. 199.

Mr. **Harper**. I would be happy to do so.

Chairman **Glenn**. All right. Good. Thank you, gentlemen. We appreciate you being here and being patient with the truncated nature of the hearing this morning.

Thank you much. The hearing will stand in recess subject to the call of the Chair.

[Whereupon, at 12:31 p.m., the Committee adjourned subject to the call of the Chair.]

PRESIDENTIAL TRANSITION EFFECTIVENESS ACT

WEDNESDAY, OCTOBER 14, 1987

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., in room SD-342, Dirksen Senate Office Building, Hon. John Glenn (Chairman of the Committee) presiding.

Present: Senators Glenn, Stevens, and Sasser.

OPENING STATEMENT OF CHAIRMAN GLENN

Chairman GLENN. The hearing of the Governmental Affairs Committee will be in order.

Today the Committee continues its work on Presidential transitions. This is the first time in two decades that a transition is absolutely, unequivocally, without doubt going to occur. It is certain and it must be planned for, because we have a President reaching the end of his 8-year tenure.

We know that the Reagan Administration has already begun planning for its transition out in 1989. The search continues for a Reagan Library site and the General Services Administration has been contacted regarding moving expenses. The question is whether the incoming Administration will be as well prepared to govern and whether we can make some changes today that may help Presidents far into the future.

It seems to us that the two places to start are the 1963 Presidential Transition Act and the current Federal Election Regulations. The 1963 Transition Act was passed to provide public funding for the legitimate cost of an adequate Presidential transition, while the Election Regulations were designed to control the impact of private money on national campaigns. Both are essential for effective governance—the first by providing for smooth transitions of power between Administration, and the second by limiting the exercise of undue influence in the electoral process.

Twenty-five years after passage of the 1963 Act and scarcely a decade after our first publicly financed Presidential campaign, serious questions have arisen regarding both the adequacy of the public funding and the need for regulation of private cash an in-kind contributions.

Indeed, the lack of any regulation on private contributions for Presidential transitions creates the appearance of conflict of interest, perhaps undermining the controls which exist during the primary and general election campaigns. It does not appear to make sense to control private contributions during the election campaigns only to see the funds undisclosed and unaccounted for during the Presidential transition. We are protecting one part of this process, which we do with great definition, and then we reach the date of election and between there and the swearing-in the process sort of opens up.

We have no restrictions, no accounting, no reporting requirements, and the possibility of conflict of interest in that time period is indeed enormous. In fact, in efforts to find the records from the last couple of transitions we have been unable to do that. No records are made, kept, or at least if they were kept at that time, they were done away with shortly after the election. And so we have no record of really what possible undue influence was brought by what contributions in that time period.

We are all aware that there is a $1,000 personal contribution during the election campaign, and a $5,000 PAC limitation. No corporate contributions at all. But all bets are off once the election date passes. And between that date and the swearing-in date in January, any amount can be raised from anyone for any purpose with no accounting whatsoever. The whole system appears to have a giant loophole in it that we need to look at and take care of.

This hearing will concentrate on three specific concerns. First, are we providing enough support to cover the legitimate costs of the transition. The 1963 Act provided $450,000 for the incoming President, and has been amended once in 1976 to increase the amount to $2 million. I think in current dollars that would come down to actual buying power of like $1.3 million, something in that neighborhood.

We know that Presidential transitions have become bigger over the past 20 years, in part because Government has also grown bigger, in part because it takes more time and resources to fill the over 2,000 or so top jobs in Government. Clearly, we do not want to provide public dollars for transition bureaucracies or for just wasteful paper work. Nor do we want to force the President-elect to go begging for needed support.

At the minimum it is time to adjust the public funding upward to account at least in part for the impact of inflation. The transition contribution has declined in real value from $2 million in 1976 to $1.2 million today. In contrast, the FEC fund for each presidential candidate has gone up from $20 million to $44 million.

Beyond adjusting for 12 years of inflation, however, it may be necessary to add funding to cover new transition costs. The 1978 Ethics in Government Act, for example, required a new clearance process within the transition personnel system and, therefore, a new commitment of dollars and of time. Finally, once we have decided how much is enough for an adequate transition, we ought to consider adding an inflator to the figure to avoid repeating this exercise every 4 or 8 years.

Second, should we provide support for pre-election transition planning? There is nearly unanimous agreement among Carter and Reagan transition staff that a President-elect cannot succeed without some kind of advance planning during the general election campaign. The operational pressures on running the transition are just too great. However, because the FEC has ruled that no public campaign funds can be used for such planning, Presidential candidates must either raise private funds, secure volunteer and in-kind contributions, or just ignore the issue.

I believe the pre-election transition ought to be considered as one of the legitimate costs of a Presidential transition. We are not talking about a major investment of time, however. Presidential candidates ought to concentrate on setting their policy agendas, their view of where the country is going, and on winning the election. Nevertheless, a little planning before November can go a long way toward transition effectiveness after.

It appears that a relatively small amount of funding could cover the needed planning for each major party candidate. The money would have to be carefully restricted to transition planning and clearly segmented from campaign activities. Given that we will spend over $100 million next year getting one or the other major candidates elected, such an amount hardly seems like a wasted investment. There is still some question, however, about who should get the money: the candidates or the national parties? Or should it be split?

Ideally, transition planning by the national parties would both strengthen the governance process and create a longer-term institutional memory on transition management. Presidential candidates come and go, but the national party transition expertise would, hopefully, remain. We still have work to do on this question, and look forward to input from the parties in the coming weeks.

Third, is their cause to limit or regulate private cash and in-kind transitions? Currently, there are no regulations governing private funding for Presidential transitions. Unlike the Federal Election Rules, which apply to every penny of private contributions and associated expenditures, President-elects are free to raise as much private cash as they wish. There is no requirement for disclosure of any kind.

The potential problems with such private funding are clear. It creates the appearance, if not the substance, of possible conflicts of interest during a very sensitive period in a Presidential administration. It also draws funding away from other organizations, including the national parties and future campaigns. In theory, money not given to the transition would be money given to another worthwhile cause.

At a minimum it seems reasonable to ask for disclosure, at the very least, of all cash contributions. It also seems reasonable to ask for disclosure of certain in-kind contributions, though we must be careful not to discourage volunteers from helping the transition. We must also be careful not to impose an unnecessary regulatory burden on the President-elect.

Clearly, we still have a great many questions to answer as we move forward with legislative choices, and there are a mass of choices that we have to make. Today's witnesses should help us narrow the options significantly. We will also explore other issues beyond the confines of the 1963 Act, including the question of how best to recruit and retain talented individuals for top Presidential appointments. So, we welcome you this morning.

We also welcome Senator Stevens this morning. Do you have a statement?

Senator **Stevens**. No, I do not have a statement.

Chairman **Glenn**. All right. Thank you.

Before we continue I have an opening statement by Senator Heinz, who could not attend today's hearing, and will place it in the record at this point.

[Senator Heinz' statement follows:]

Opening Statement of Senator Heinz

Thank you, Mr. Chairman, for this opportunity to consider how we might ameliorate the Presidential transition process and what revisions to the Presidential Transition Act of 1963, if any, might also improve that process.

One might say that government is at its most vulnerable during a Presidential transition. While a President-elect and his appointees may have extensive government experience, they are often still preparing for the rigors of the White House, and 10 weeks of turnover time may not provide for much in-depth review and analysis.

Whether in policy-guidance or records-transferral, the handing-over of advice and expertise by those about to leave to those about to take over may also be a rushed, inadequate exchange. Distrust stemming from conflicting politics can also mar the transition process, leading to both policy and personnel disorganization as hundreds of appointees struggle not only to understand the work of their predecessors but also to establish their own agendas.

Continued managerial and organizational stability is necessary during times such as these. We should be able to assure the American people that the Nation as a whole will not suffer every time an administration changes over. What should be a very simple process, and one around which our country's reputation revolves—the free election process—has become disturbingly complicated. Are these the costs of liberty, that Presidential transition means that agency programs are turned topsy-turvy and service delivery seriously delayed? We know better.

We cannot say we have responsible leadership until we start looking ahead, and taking into consideration the needs of those who will follow us. The scope of the Nation's capitol should no longer be only a multiple of four. While 4 years in Washington may be very short in terms of our national history, what some do during those 10 weeks of transitional time may make all the difference as to whether they're a good 4 years.

I welcome the comments of the Comptroller-General and our distinguished panel of witnesses. I look forward to reviewing the record of today's hearing, and gaining further insight into ways to assure the smoothest of transitions between administrations.

Chairman **Glenn**. Our first witness this morning is the Honorable Charles A. Bowsher, Comptroller General of the United States, United States General Accounting Office. He is accompanied by Mr. Milton Socolar and Mr. Gene Dodaro. Gentlemen, we welcome you this morning.

Mr. Bowsher, we welcome you this morning, again, as always before this Committee and look forward to your statement, either in entirety or an abridged version thereof. In any event, it will be included in the record in its entirety.

TESTIMONY OF CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES, U.S. GENERAL ACCOUNTING OFFICE,[1] ACCOMPANIED BY MILTON SOCOLAR, GENERAL COUNSEL, GAO, AND GENE DODARO, ASSOCIATE DIRECTOR, GENERAL GOVERNMENT DIVISION, GAO

Mr. **Bowsher**. Thank you very much, Mr. Chairman and Senator Stevens.

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[1] See p. 206 for Mr. Bowsher's prepared statement.

It is a pleasure to be here. I would just summarize my statement and just make a few points here and then be happy to take any questions that either of you might have.

One, I would like to congratulate the Committee on looking at this very important subject. As you point out, the original legislation was passed in 1963. It was amended in 1976. But now we have, I think, enough actual experience to take a good luck at the whole process and see what changes need to be made to have a more effective transition.

One thing that the GAO has consistently advocated as a result of their audits of previous transitions is that enough Federal funds be made available to adequately do that job. In other words, we have never come out and said we do not think any private funds should be used, but we have always thought that the main job should be financed by Federal funds.

Now, at the same time, we do not think there should be too much funding, because I think lots of times you can fall into the trap, as you said, Mr. Chairman, in your opening remarks, of financing too large a bureaucracy. I think sometimes in recent transitions, we may have had too many people involved and it was not all that helpful to the incoming Administration. So we think adequate funding is what is needed and it is always, of course, a question of just how much that is.

We also believe that the incoming Administration needs to be properly briefed on Department operations, program initiatives and management initiatives that are going on in the Federal Government. I think we have parts of our Government today that do have problems and I think the incoming Administration should be properly briefed on what potential problems there might be.

I think a good example is the FAA with some of the problems that they are facing. The IRS with some of the computer systems that have given them problems in the last couple of years is another example. Also I think the DOD with some of the major weapons systems and the cost overruns—potential cost overruns there—should be fully presented to the incoming Administration. So I think this is information that is needed and I think should be developed as part of the transition.

At the same time, I think that the incoming Administration should give a great deal of consideration to some of the initiatives that the current Administration has taken. Sometimes in our work we have seen, in our management reviews, that we too often spend a lot of money on starting a project like a new systems program and do not get the job finished. We stop it for some reason—lots of time because Administrations change. I think sometimes it would be better if the incoming Administration gave more credence and thought to what the previous Administration had done.

I think one thing in reviewing the past transitions here, the recent transitions, one thing that seems to be obvious is that the budget area has been a problem area. In other words, it seems OMB has not had the freedom to cooperate with the incoming Administrations quite like most of the Cabinet Departments have. I think that should be fully explored because the incoming Administration needs to have a good briefing and understanding of the budget, the economic assumptions, and the budget alternatives.

Mr. Chairman you are fully aware of our position on the financial management systems and that we think they are woefully weak nowadays and that they need to be modernized. I think that how the money is spent is every bit as important as how we budget for new money. I remember one former Cabinet officer once explained to me that when he was in the private sector and would go on the boards of corporations, the first thing he would generally do was get a briefing on what was the financial status of the organization, what were the problems, what were some of the potential cost overruns. He said when he came into the Government, as he did several times, he said he never got that kind of information. All he got was information on the the next budget.

I think that this is unfortunate because I really believe that the incoming Administration really should know the status of things. I think that we have a Government work force today that may not be as strong as it was once and that this should be explored very carefully during the transition period. I think Paul Volcker, as taking the chairman of the National Commission on the Public Service, may well make a contribution during the transition period.

In summary, Mr. Chairman, I think the transition period is an awfully important period. That is when we turn over the leadership of our Government. We replace all the top leaders during this period and initiate a lot of new programs and new policies. But with the budget deficits that we have today, I think continuity is going to be a key feature of this transition. The new Administration is going to have to look very carefully at the existing programs, at the existing management initiatives and hopefully not throw them all out, as sometimes was done previously. We are not as rich a country as we once were. We are facing a lot of debt, a lot of deficit here, and I think this transition is going to need some emphasis that maybe some of the previous transitions did not have.

Mr. Chairman, that concludes my opening remarks. We would be pleased to answer any questions that you or Senator Stevens have.

Chairman GLENN. Thank you very much.

We have been spending a fair amount of time examining the level of public funding in advance of this 1988 transition. Given your past audit work on the public expenditures, do you think the current $2 million is adequate for the legitimate cost of the upcoming transition?

Mr. BOWSHER. No, we do not, Mr. Chairman. We think it should be adjusted for inflation or for the cost-of-living factor here, and we also wonder if there should not be some additional money put in there, because our previous audits have indicated that not all the costs were covered. And also, some of the uses of some of the Government facilities were not actually billed to the transition. So we think even that factor ought to be considered. And when we have our economists adjust the $2 million for inflation and considering our previous findings, we come out around the $5 million figure.

Chairman GLENN. $5 million. Do you know what the basis was for the original $2 million? Was that just off the top of someone's head, or was there a study done to see what the actual costs were and the $2 millon came as a result of that?

Mr. BOWSHER. I asked my people that and to the best of their knowledge there was not a big study done. It seemed to be based on a rough estimate with the idea that they would see how that worked out, and they wanted to give $1 million to the outgoing Administration and $2 million to the incoming.

Chairman GLENN. Well, we could use the track record, if we had the track record, of the last couple of transitions. But that leads into the next question, obviously. Looking back over your audit work, were there any irregularities in either the Carter or Reagan transitions either one which we ought to examine further as we look at this whole problem, that you are aware of?

Mr. BOWSHER. There were some irregularities noted. As I say, the use of military aircraft, some salary advances, the opening of some bank accounts in the Carter transition, and reimbursing some detailees. We did not consider the irregularities to involve great amounts. But we think that as you consider any amendments to this legislation that you ought to take into consideration some of these expenses, and that is one of the reasons why we would add the extra million dollars in there. We think all of that should be paid for by transition and therefore that is how we get up to the $5 million.

Chairman GLENN. Were requests made by the General Accounting Office to the Carter and Reagan people to get more information on this and get their records on this? And what was the result of those requests if they were made?

Mr. BOWSHER. Well, we were asked by the Congress to audit the private funds in the Reagan transition. Initially the GAO was informed that they would be given the records so they could audit, and then later the trustees decided not to make that available. They did go out and get a private auditing fund to do an audit, but there never was really disclosure of either the donations or the expenditures of the private funds in that case.

Chairman GLENN. Are those records still in existence as far as you know?

Mr. BOWSHER. I am not sure whether they are or not, Mr. Chairman.

Chairman GLENN. There must have been something or a private organization could not have made an audit on it.

Mr. BOWSHER. Let me amplify my answer there. Mr. Dodaro tells me that according to one source there we think maybe the records do reside at the Republican National Committee.

Chairman GLENN. Okay. Did you make a request to the Carter people?

Mr. BOWSHER. They really did not have any private funding. They had people making donations in kind and giving a lot of time, but they did not raise any real money.

Chairman GLENN. Are there records of what was expended? Are they available? Do you know?

Mr. BOWSHER. Well, the records on the Federal money is but I think most of the other records are not available.

Chairman GLENN. Did you make a request on that for the Carter records, on what they do have available?

Mr. BOWSHER. For the public funds, but not for the private.

Chairman GLENN. Have you gone through those records then on the Carter Administration, or what was their response? Did they refuse also?

Mr. **Bowsher**. No, I do not think they—they just really did not have that much money involved in their other account.

Chairman **Glenn**. Okay. I was just trying to get at whether there had been an audit of any recent Presidential transition money of any kind, public, private, in-kind or whatever.

Mr. **Bowsher**. Well, the public monies were audited by the GAO. In other words, the Federal funds were audited by the GAO.

Chairman **Glenn**. In both cases?

Mr. **Bowsher**. In both cases.

Chairman **Glenn**. Okay. The trouble with you, you were not given access to private accounts?

Mr. **Bowsher**. No. See, we were promised access and then they decided that—they claimed that it was private funds and therefore we did not have access legally. Our lawyers concurred with that position. We still thought the audit of private funds would be a good idea because we said we thought we could give the Congress a more complete report on it, but in the final analysis they just would not open the books to us.

Chairman **Glenn**. Under existing law then you do not have as GAO authority to go in and get the reporting on private funding unless you are given additional authority to do that; is that correct?

Mr. **Bowsher**. That is correct, Mr. Chairman.

Chairman **Glenn**. This sort of goes to the heart of whether a transition is public or private or some mixture of both. Our regulations on private contributions in an election campaign, they are quite stringent. I know that from personal experience right down to the last nickel, that FEC wants to find out where they went, even sometimes under a dollar on one account to the next. They want to know where the money was spent.

Should we impose that kind of regulation in the post-election period, too, do you think?

Mr. **Bowsher**. I am not sure that we should impose all the regulations and the rules of the FEC, but I think that some public disclosure of what is being donated and where the expenditures are going have a lot of merit, for two reasons. One, I think disclosure always makes people behave better. And two, I think by this time that the campaign organizations, the treasurers of the campaigns are used to dealing with the FEC regulations as you describe.

One of the confusions, I think, in the past transitions has been they quit dealing with the FEC, all of a sudden had to deal with the Federal Government, and they did not quite have the knowledge lots of times as to how to do that. If they had to continue with the same basic disclosure requirements, I think you would have the same group, literally, that ran the finances of the campaign, keeping the records for the transition, and they would do a pretty good job for you.

Chairman **Glenn**. Would you think that any review of those records should be under GAO, or should we continue that FEC reporting process as it is set up during the election period?

Mr. **Bowsher**. I think you could do it either way. I think any auditor—GAO included—always feels better if they can see the records of all the transactions. So we would be more than willing to audit the private part as well as the Federal funds. But another possibility would be to have the Federal Election Commission get the reports and to have private auditors audit that and maybe give us access, as we often do on Government corporations, to review the audit work papers of the private auditing firm. I think you would get the disclosure and the control that you wanted under either of those plans.

Chairman GLENN. If we restricted private contributions to some basic amount like the $1,000 per individual or $5,000 PAC that we have now in the general election period, let's say if you were going to do the auditing of this, would that cause an undue burden on you?

Mr. BOWSHER. No. We could audit that very easily.

Chairman GLENN. It would seem to me that a continuation right under the FEC process would be the logical way to do this thing. You just keep right on working with the same set of people rather than switching.

Mr. BOWSHER. Yes, I think it has—the more I thought about it here—I think it has a lot of merit. Because I have worked with some of the Presidential campaigns in the past and, you know, it takes them awhile to get geared up and to get their record keeping straight. But once they get geared up and going, especially by the time they are in the general election, why, they are keeping pretty good records. They know the rules and they know the disclosure, and nobody that is donating money is being fooled that their name will not show up some day on some kind of a listing.

That is a pretty healthy environment.

Chairman GLENN. Should we keep that $1,000 limit into a transition contribution, too?

Mr. BOWSHER. I think I would keep the limit the same as in the general in the donations to the campaigns. If they keep it at $1,000, I think that would make a lot of sense.

Chairman GLENN. How about expenditure limitations? Even if we have private funding, it might be a good idea to require some reporting of where it goes. Do you think GAO could audit those, and do you think it is a good idea?

Mr. BOWSHER. Yes. I think we could audit and I think it is a good idea. I think you have the other option, and that is that you could have the private auditing fund but give us access to their work papers.

Chairman GLENN. Or an FEC audit and you——

Mr. BOWSHER. Or an FEC audit and we could review that.

Chairman GLENN. How do you take care of things like volunteer time and in-kind contributions? Those are difficult in an election campaign. They are probably even worse during a transition.

Mr. BOWSHER. Yes. I do not think we should try to nail that down too much or try to audit it too much. I think some disclosure might be good. One of the things that was set up in the Reagan transition were units at each of the major Cabinet Departments and major agencies to make sure that documents that should not be turned over to private hands were not released. So he gave them certain responsibilities to monitor how the transition actually operated at each Department.

One of the things you might request of them is a listing of who donated time, and I would not try to tie down how much time and what was the financial worth of that time or anything like that. But if you wanted some disclosure as who is donating time over there, that might be a way of doing it.

Chairman GLENN. How do you look at—and I see the yellow light on so this will be last question here is this round at least—this funding in advance so they can get going on some advance planning before an election occurs, I do not know quite how that would work and what kind of control there would be on it and how you would make absolutely certain that that money did not get over into the election campaign itself in the final throes of the last days of an election.

Some of this advance money, there has been a recommendation made quite strongly by a National Academy of Public Administration panel of Frank Carlucci—and I have talked to him about this in my office the other day—John Macy, Jackson Walter, among others. Advance planning has almost become a cottage industry in Washington, if you will—the Heritage Foundation, NAPA, Center for Excellence in Government, even GAO. I would think it would be worthwhile to do a little bit of advance planning in this area.

Can you give us an idea of how much or what proportion of this total budget you think should go to that?

Mr. BOWSHER. I think you need some advance planning, but I think it is a very tricky area. I think if you remember, during the Carter campaign a lot of bad feeling developed between the advance planning transition group under Jack Watson versus the campaign team under Hamilton Jordan. And so I think that any Presidential candidate has to be very careful how he organizes and does his transition planning.

I think it would be difficult to make sure that the money does not get commingled. I think I would be more inclined to see some kind of relaxation on use of some funds in the campaign being used for transition planning, rather than getting a separate set of monies being handed over. Because I do not think you need a large group at that point, but I think you need some effort, and if you gave them that flexibility in the campaign law, why I think you might be doing them a favor to let them more tailor make it to their organization. Because I think it is a very tricky feature in that campaign environment. Because the campaign workers get nervous as they see people getting in what they think is a more favored position once they come to power.

Chairman GLENN. Senator Stevens?

Senator STEVENS. It is nice to see you again, Mr. Bowsher.

I very seldom disagree with my good friend, the Chairman, here, but let me ask you a series of questions. In the first place, during the campaign that we are talking about, the general election, all of the funds being used by these candidates are Federal funds; right?

Mr. BOWSHER. That is correct.

Senator STEVENS. And during that period they can spend those funds on anything that will further their candidacy, including advance planning for what they will do after they get elected if they do get elected, can't they?

Mr. BOWSHER. I am not sure of the latter part. I think you are right but I am not quite sure, because I have not studied that law in some time.

Senator **Stevens**. Well, I had a little bit to do with writing it. Ask your general counsel if he agrees with you.

Mr. **Bowsher**. My general counsel thinks you are right. That would be a pretty good indication you are right. [Laughter.]

Senator **Stevens**. The impact of that is that if we attempt to put some restrictions on what they can do with those funds that are already available to them now, we are going to further bureaucratize the whole election process. The FEC is in there now and checks the expenditure of every dollar, but it cannot today tell them what they cannot spend them on as far as the election campaign, in my estimation.

Mr. **Bowsher**. Yes. I lean very much in the area of flexibility of using funds for some transition if they want to do that and not put any limitations on it.

Senator **Stevens**. All right. Now, during that campaign period, no matter which party the candidate is from, the candidates had people employed with Federal funds, the matching funds. They also had people employed with money from the National Committee. They can hire people to assist in campaigns.

Mr. **Bowsher**. Yes.

Senator **Stevens**. And also they can have volunteers, consistent with Federal laws. There are people who can just totally donate their time and travel, even at their own expense, as I understand it, and be sort of a confidant to the candidate and just be there.

Now, in those periods of time it is my understanding that there is no conflict of interest, is there? There is no conflict-of-interest statute that applies to them.

Mr. **Bowsher**. That is right.

Senator **Stevens**. But they are spending Federal money.

Mr. **Bowsher**. Yes.

Senator **Stevens**. Now, one of these candidates is elected on the first Tuesday in November, and the proposal now is, as I understand it, that if he wants more money than is available to him at the end of the campaign, first he can go out and raise money with the same limitations that would apply to a Senate candidate or a House candidate or someone seeking the nomination.

But he is the President-elect. Why should he have to raise money, then, under this concept of going out and asking people for $1,000 apiece? In other words, a national fund raising campaign before he can get going and spend money on this problem of planning. Should not there be more Federal funds waiting for that successful candidate to step right in and do the job that the people expect him to do?

Mr. **Bowsher**. I think that has been our position all along, Senator Stevens. And that is, we think there should be adequate Federal funding to do that job.

Senator **Stevens**. All right. Now, those Federal funds are not funds to be used for campaigning. By definition he is elected. So why should the FEC have anything to do with it at that time?

Mr. **Bowsher**. I think that the Chairman there is only suggesting——

Senator **Stevens**. I am not asking you what he said. I want to know what you think.

Mr. **Bowsher**. I think you have got to have somebody administer it. You can administer it through the GSA or the Federal Government and put the Government regulations on it immediately. The one advantage that I——

Senator **Stevens**. Now, wait a minute. Do we do that to the President once he gets sworn in, with the discretionary funds he has available? Do we have the FEC or the GAO or the GSA checking the President of the United States as to how he spends Federal monies made available to him?

Mr. **Bowsher**. Yes.

Senator **Stevens**. No. He just has his internal audit, doesn't he? He has his own auditor.

Mr. **Bowsher**. But we audit the White House.

Senator **Stevens**. Yes, in a quarterly or annual thing. But you are not telling him in advance how he can spend his money, are you?

Mr. **Bowsher**. No, not telling him how to spend the money, but to review how it is spent.

Senator **Stevens**. And there are discretionary monies available to the President of the United States that he can spend, according to the act of Congress.

Mr. **Bowsher**. Yes.

Senator **Stevens**. In other words, don't you think we ought to just pass a law that says, if there is to be money available for advance planning, just general parameters of what can be done, and trust the fellow who has just been elected President of the United States?

Mr. **Bowsher**. Yes. But as the existing law now stands, the money has to be expended under Government regulations, because it is Federal funds and his treasurer immediately—or whoever is in charge of this——

Senator **Stevens**. You are talking about the candidate now.

Mr. **Bowsher**. No. I am talking about the President-elect on transition funds. In other words, he gets the funds——

Senator **Stevens**. Who makes those regulations now? You?

Mr. **Bowsher**. No. Basically the GSA and the regular appropriation—you know, the type of regulations that are on any Federal expenditures.

Senator **Stevens**. Isn't it basically in the law? I am not familiar with any regulations issued that apply to the expenditure of those monies by the President-elect.

Mr. **Bowsher**. No. It is basically in the law that whatever laws apply to spending of Federal funds, apply to spending of transition Federal funds.

Senator **Stevens**. I understand that. We have Congressional transition funds, by the way, to assist us to put on the swearing-in ceremonies, as I recall. They are administered by the Rules Committee. But I think several agencies of the Federal Government have money for that purpose.

But what I am looking at now is why should the first real interaction between this new President-elect of the United States and his role as the Chief Executive be with someone who tells him what he cannot do? I mean, why shouldn't we trust him to spend the money and just have the money available for the President-elect for transition purposes?

Mr. **BOWSHER**. I do not think there is a difference here, myself.

Senator **STEVENS**. You audit how it is spent.

Mr. **BOWSHER**. If we can audit how it is spent and if that can be disclosed——

Senator **STEVENS**. Well, it will be disclosed later in your report, but you do not want him to be filing a report weekly or something like a candidate has to do; you are not suggesting that?

Mr. **BOWSHER**. No. I am not suggesting that.

Senator **STEVENS**. Once he is sworn in and he has available the normal funds of the President, he has to file some sort of an accounting; his people do.

Mr. **BOWSHER**. He has to have a final accounting of this money and then we would audit that final accounting.

Senator **STEVENS**. I do not harbor the desire to be President. Some people do and I admire them for it. But let me tell you, I do not think they ought to be one-arm paper hangars trying to find out what is going on in the regulatory process and trying to figure out what this job is going to be at the same time.

I think we ought to free up this process from fund raising and from regulation and from restrictions to the maximum extent possible and let the person get the job done.

Now, if that is the case, I want to ask you another thing—what about this conflict of interest? As I understand this $2 million, there is a conflict of interest problem that became rather acute in the last two transitions; is that right?

Mr. **BOWSHER**. Not with—I do not think with the $2 million. I think it was more with concern about who was donating some of the private money and who was donating in-kind services, which was outside of the Federal funding.

Senator **STEVENS**. Do you think as to private money that if a person puts up private money and hires somebody to write a paper in a law firm downtown for the President of the United States, giving advice on how to set up, say, the Executive Office, that there ought to be a conflict of interest applied to that private money?

Mr. **SOCOLAR**. If I might, Senator Stevens, I think that the conflict-of-interest issues arise primarily in the context of what kind of information is provided to private parties as they go through a transition.

Senator **STEVENS**. I am going to get to that in terms of whether their function has a conflict of interest as opposed to the financing and whether that raises a conflict of interest. Let me tell you, when Eisenhower was elected I was in a private firm downtown and I wrote a series of papers on how to organize the Department of the Interior.

We did that. We contributed that. My firm did. I was working for the firm. I did not contribute it, but my time was contributed. Now, we did not feel there was any conflict of interest. Do you think there is a conflict of interest in that kind of advice that the President-elect gets from the private sector?

Mr. **BOWSHER**. Well, I do not think there is a legal thing but I think sometimes there is the appearance that some people worry about. If your firm was representing a major oil company or something like that and you were telling the Department of Energy, which was not the Department you were working in, how to organize and things like that, people then might be concerned as to whether there is a potential conflict of interest here.

So I think the best way to do it is to have disclosure. In other words, if you do raise private funds, it is good to have some kind of a system where everybody can look to see who donated those funds and how were they spent.

Senator **Stevens**. Well, in our case we just donated our services. What about that? And that is what the Chairman is saying. Are we going to require reporting of anybody who donates advice?

Mr. **Bowsher**. Yes. And I think if you——

Senator **Stevens**. The Constitution guarantees, you know, the right of the people to present their views to the Congress. I think that also applies to the President of the United States.

Mr. **Bowsher**. And I think that should continue. What I was saying is I do not think we should burden that down with a lot of regulations. But if you wanted to know who is donating that time you might have some kind of a disclosure.

Senator **Stevens**. Well, now, let's carry that one—I will come back to this, because I see that light is on—but once he becomes President he can receive advice from anybody he wants without disclosure, can't he? You do not have to report that.

Mr. **Bowsher**. Well, that is true. But——

Senator **Stevens**. Well, I think we ought to concentrate on what we are trying to do with this fellow or woman, this person who has just been elected President. I would not want to put parameters around that person that are greater than are going to be around him once he becomes President. It seems to me that there are some suggestions here that might do that. Merely because we want disclosure of where the money comes from, now we are going to get disclosure of where the advice comes from.

I can sit down and write a letter to the President of the United States any time I want to and it is considered privileged. I can send him a plan for the development of a new department. That is privileged. I do not have to disclose it, as long as it is just a voluntary thing.

If I am lobbying, now, that is another matter. But I will come back again, my friend.

Chairman **Glenn**. That is a very gray area and that is a difficult one to deal with. I do not think we have ever learned how to deal with it yet and we are probably not going to in this legislation. But lest there be any misunderstanding here, I agree absolutely with what Senator Stevens said on the preferential way to deal with this transition as far as the support for it goes.

I would far rather see this be so much money, it is enough to make a transition, it is Treasury money, we give it to the man, he has been elected and he is going to come in—or woman, as the case may be—and they are given funding to do that. That is just the responsibility that accompanies—the last thing a President-elect should be required to do is go out and start another fund raising campaign the day after the election to provide for the next 80 days or whatever it is.

Mr. **Bowsher**. Mr. Chairman, we agree with that very strongly.

Chairman GLENN. Yes, I thought you did. I just wanted to make the statement, though, so I was not misunderstood. What I was dealing with back here in my question earlier in the $1,000 contribution, should we do this, should we do that, is I was trying to deal with the existing situation the way we have had it.

Now, I would much prefer to do exactly what you are talking about. Go out and make a bundle of money out there, whatever is required to do this and do a good job, maybe even some extra so we make sure—maybe we should not do that. Maybe if they run out we should make them come back and apply for something. We do not want to invite them to spend money foolishly.

But it should be enough to cover a good transition out of public funds. I think that is just part of the cost of doing business, trying to help the Government, help a normal transition.

This area of in-kind contributions is a very gray one. We ran into a little of that in the last transition in the nuclear field a little bit where we had some people that were doing studies and those studies were suddenly grabbed up and in the spur of the moment became the law, or were about to become the law of the land and we had an awful time for the first year of the Administration undoing some of the things that one of those advice groups picked up and put into play.

Now, maybe that was a particularly vulnerable period, maybe it was not. And maybe that was up to the President to make that decision. He made it, and so we wound up then disagreeing that he had taken that advice. Maybe he got other plans that he—as Senator Stevens says, this is the right of advising anybody. I can write a letter to anybody I want. So can he, you, or anyone else advising whatever you want and it is up to that person then to make a decision as to whether they are going to pick up on that advice or not.

But if you have somebody that has been pretty particularly involved, should that be an in-kind contribution and should it just be listed so we know where this advice is coming from? I do not know. That is a good question we ought to look into further, I guess.

But I favor the single fund to provide for transition. I do not want a lavish transition. If we go that route and make an adequate amount of money, then should we prohibit the raising of any private funds at all?

Mr. BOWSHER. That is a real policy question that——

Chairman GLENN. Let's say they all want stretch limousines around here instead of riding in a Chevy Coupe or something; is that something that they can do if they raise private funds? Or should we prohibit private funds?

Mr. BOWSHER. I think the cleanest thing would be to prohibit private funding, but I think also in the American tradition sometimes people feel that they should have the right to raise private funds and I think that that is really a decision for Congress to make. But I think if you do raise private funds, I think there should be disclosure on where those funds came from and how were they spent and I think they should be audited.

Chairman GLENN. What we are trying to prevent is some of the undue influence. Let me give a personal example here. I knew a man who was a friend of mine when I was—this is long before I was in the Senate, I will not say what Administration it was even in—but he wanted to be an ambassador. He was going to be Ambassador to Ireland. I will go that far. He had a background, a history of connection, heritage and so on with Ireland, liked the country, was very well qualified. He was wealthy.

He was being considered and was down to the last two or three. He was called to Washington and he thought he was going to get the appointment. He had been told that everything was in line and it looked like he was going to get the appointment. The last stop on the people he was to see in Washington, he was called in before one of the Committee people and was told that if he contributed $30,000 to the national committee it certainly would enhance his possibility of getting that ambassadorial appointment.

His story, as he told it, was he never said another word. He stood up, turned around and walked out and never heard from them and he did not make the contribution.

That is the kind of thing that we are trying to prevent. I do not know how far down we carry it and how far this thing goes, but that is the kind of thing that we want to prevent. I think we would go a long ways toward preventing that if we went to a single funding, Federal funding, no private contributions. But I do not know whether it is legal to prohibit private contributions or not.

Another tack. One of our witnesses has urged us to review the 1868 Vacancies Act to see if we can either rescue that statute or take it off the books. It is generally ignored, as I understand it. It requires the President to fill executive vacancies within 30 days. Have you looked into that at all?

Mr. **SOCOLAR**. Yes. The Act does not really require that vacancies be filled within 30 days. What the Act does is limit those who are put into positions to fill vacancies, the Act limits their service to 30 days. So that a vacancy can remain a vacancy without a violation of the Vacancy Act. It is just that when people are appointed to assume positions and they are in those positions for an excess of 30 days without a name going forward for the confirmation process that the Vacancies Act is abused, really.

Chairman **GLENN**. Does this have any use in 1988 as opposed to 1868? Should we take it off the books, or what?

Mr. **SOCOLAR**. Well, basically, the Executive Branch takes the position that a number of reorganization plans and statutes have overcome the provisions of the Vacancies Act. The provisions of the reorganizations plans under the statutes deal with authorities given to the head of a department to freely delegate functions and responsibilities within his or her department and it is the Executive Branch view that those provisions overcome the limitations in the Vacancies Act.

Our view is that those delegations really should take place with due regard for the limitations of the Vacancies Act. Fundamentally, the Vacancies Act is designed really to secure and protect the confirmation prerogatives of the Senate. By failing to abide by its provisions, people are put into positions that normally would get consideration in the confirmation process, but because of the way those appointments are handled, the Senate is written out of the picture.

Chairman **GLENN**. Well, okay, is that one we ought to take off the books or make work?

Mr. Socolar. I think that is really a decision for the Congress to reach. It really depends on how the Senate, I would say, views the importance of the confirmation process to these appointments.

Chairman Glenn. You have been working on this 1988 transition to some extent. You have a report. As I understand it you have several projects feeding into one capping report. When will that be ready?

Mr. Bowsher. When will it be ready?

Chairman Glenn. Yes.

Mr. Bowsher. Mr. Chairman, we hope to have it ready in the fall of 1988. As you are aware, we have done some management reviews of individual departments. We are now looking at some of the central agencies, like OPM, OMB, GSA, and what we hope to do is pull together the thoughts that we might have accumulated from all of this work in the last 2 or 3 or 4 years that seem to be systemic in nature or pervasive, you might say, throughout the Government, for consideration by the new Administration and the Congress. So we hope to have that available next fall.

Chairman Glenn. That is a little late, isn't it? Are we going to be able to operate on that? The new transition teams comes in. Can that be speeded up any? It seems to me it would have a lot more value if we got it a little earlier.

Mr. Bowsher. If we can speed it up we will.

Chairman Glenn. Another adjunct to this thing is recruiting good people for Government. Several of our witnesses later today are going to talk about problems recruiting Presidential appointees. Do you have any data on the turnover and vacancy problem?

Mr. Bowsher. Well, there is no question that the turnover has been high. It has been high for quite a few years. And at the same time we have seen, I think in this Administration and even President Carter's Administration, an effort to keep some of the Presidential appointees in office for some period of time, and I think that is a big, big help.

One of the things that comes out very clearly in our management reviews is this turnover at the senior level. It is just devastating to Government operations in many ways. In other words, you do not have the continuity of leadership, you do not have the continuity of programs, you do not have continuity of initiatives, and it really hurts. And so I think it is one of the real problems in Government when we have any Administration that does not have a fair percent of its Presidential appointees staying in there for some time.

Chairman Glenn. What is the average tenure of Presidential appointees?

Mr. Bowsher. I think about 2 years is the current average.

Chairman Glenn. The average?

Mr. Bowsher. Yes.

Chairman Glenn. So we have had an average turnover then of 3 people in each job in this Administration, probably?

Mr. Bowsher. I think about that. And occasionally you have people like Cap Weinberger and Mac Baldridge that come in and stay a good long time, and it makes a big difference when that happens. But when you take all the Presidential appointed positions and average it out, why, I think it comes close to 2 years. And that is even better than it was a few years ago when it was closer to 18 months.

Chairman Glenn. Was that in the Carter Administration?

Mr. Bowsher. That was Carter and also Ford/Nixon, that era too, when you averaged those years in. Now President Carter—let me make this point—he made a real effort to get a 4-year commitment out of his senior presidential appointees and many times was successful, so he tried to address the issue.

Chairman Glenn. Senator Stevens?

Senator Stevens. I will be brief. One of the things that intersects with the subject we are discussing is the inaugural activity. During that period, private money contributed, tickets purchased, events sponsored. Many of the people who are here in that transition period are as related to that activity as they are to the transition activity.

How do you relate inaugural activities and the people involved in them to the transition?

Mr. Bowsher. Well, it is a separate effort, but as you say, Senator, lots of times the same people are involved, so that is one of the problems. We have issued reports on the inaugurations, I think every 4 years here recently, at the request of Senator Proxmire. What we generally find are some problems with services being donated and not actually counted, or an expense to the inauguration, and some other things like that.

Senator Stevens. Well, did you find any interdiction that fundings being provided were actually used for transition activities as opposed to inaugural activities?

Mr. Socolar. We have never made that connection. We have done, as Mr. Bowsher stated, a couple of rather in-depth reviews of the inaugural process which, I might add, is fraught with problems also because there are rather limiting statutes that cover the inaugurations, but the practice has been, in light of the national festivities involved, to go way beyond what the statutes really provide for. And we have indicated to Senator Proxmire that we thought inaugurations also should get a good thorough consideration in the Congress so that when these kinds of public affairs are held that we do not each 4 years have to raise a lot of questions about how they are being held.

Senator Stevens. Well, I will suggest that to Senator Ford. I do think that the Rules Committee ought to hold similar hearings if we can. I also think that a lot of the people who are riding around in these limousines that my good friend the Chairman here mentioned are probably in inaugural funded limousines and they are performing a dual role. I have known a lot of them in my time who had dual roles in that transition period; very capable people that I do not think were doing anything wrong, incidentally. They were really involved in transition planning and in inaugural planning and in Cabinet candidate recruitment and review, too, which I think is an essential part of transition.

Let me move on, though. You keep saying you would like to see private funds that are donated in this period to be subject to disclosure and audit, and I am concerned that what you are really saying is that you think that any private contribution in that period ought to be treated the same as campaign funds. Now, is that what you are saying?

Mr. BOWSHER. No. I think you can make the second point if you want, but what we are really saying is we think that the donations, the cash donations, should be reported, disclosed and audited.

Senator STEVENS. Well, now, let's just suppose that the Heritage Foundation or one of these other foundations comes up to the President-elect and says, look, we have got a staff here and this is a period of fairly low activity for us; our staff costs us $4-or $5 million a month but it is yours; these people know what is going on and it is yours; let us staff your transition.

Are you going to audit their books?

Mr. BOWSHER. No.

Senator STEVENS. Are you going to audit the funds that they expend to assist the President-elect?

Mr. BOWSHER. No, I do not think so.

Senator STEVENS. All right, then why would you do the same thing to me if I go out and raise $100,000 from a whole series of people and I hire the people and I do the same thing the Heritage people have done. Why should my friends be subject to disclosure and why should my expenditures be subject to audit when you would not audit the group that would be all together and say, let us do it.

Mr. BOWSHER. We just think that the cash, both in donations and expenditures, probably needs the visibility of disclosure and audit.

Senator STEVENS. Well, I have real questions with that because I think that you are going to find a combination, really.

Mr. BOWSHER. Yes, no question.

Senator STEVENS. I think you will find in a normal transition a series of "think tanks" come in and say let us assist and the President-elect says, okay, you do this, or his people say you do this. Then they say, but we want this done and we are going to raise the money to do this. It is going to end up that you are going to audit the people who are hired by the cash contributors but you are not going to do anything with the people who come from "think tanks."

Now, I have got some real problem with that, in my opinion, and I think the record ought to show that. I really believe that we ought not to put too many parameters around this new guy.

I am going to try to hurry on. I want to ask you one thing. The Quadrennial Commission will report once again in this transition. Once again we will be faced with the question of what do we do about the adequacy of compensation for the incoming new Cabinet people and sub-Cabinet people who will be recruited by the newly elected President in 1989?

It has been my experience that with the exception of one time—and that was the Johnson/Nixon transition where President Johnson to his great credit just went out and really demanded that that raise be put into effect because of the problems he had had with maintaining his Cabinet and sub-Cabinet people.—that Commission has had bad luck. They have run into shallow water and just totally shoaled.

Have you ever examined the problem of how we could bring about a comparability with the private sector on a quadrennial basis so that the President-elect could in effect get the best people he or she could find in the country to take these tremendous tasks on?

Mr. BOWSHER. First let me say, Senator, we have done studies in the past. We have not done one, I do not believe, recently on this. But I agree with you. I think when President Johnson—I happened to be in Government at that time—got that adjustment through, he did the incoming Administration a great service, because it really did help. And I think that the salary levels today at the Federal level are a hindrance to attracting top people and I think it is a hindrance in our senior civil service today for many of our specialists. And more and more we have to have engineers and computer specialists and top flight lawyers to advise us on these very, very big Government programs and it is getting very difficult to attract and retain that talent.

One of the problems with the turnover, the 2-year average is, I have always said, with presidential appointees, if they do not have to go into borrowing to stay in Washington, lots of times they will stay longer. Once they have to start borrowing to augment their salary, pretty soon pressures build to go home or get back into the private sector. So I think the salary issue is a very important issue.

Senator STEVENS. I think that is the key to the next transition in my judgement.

Thank you, Mr. Chairman.

Chairman GLENN. Let me carry that back a little bit, though. We have set executive levels to—we make Congressional pay levels as sort of the bellwether of what we are going to do in other areas. I do not need to tell the distinguished Senator from Alaska what our problems have been in that area. Congress does not have guts enough to raise its own salaries so we can raise everybody else's. And if we do not have guts enough to face up to our own situation--and I speak as one with some experience because I led the fight on the Floor for that last year and I took all the barbs and slings and outrageous things that occurred to me in letters coming in for leading that fight.

So I think until Congress has guts enough to face up to that one we are not likely to see any great leap forward as far as executive pay scales go.

Until we do, you are not likely to see executive level salaries be put above Congressional salaries, so I think that is one that we have to take on again one of these days. We are going to have to do it sometime.

Let me carry this Heritage Foundation thing a little further though. It would seem to me that if you followed the logic of that, that we should not restrict the Heritage Foundation from volunteering, say—to make an extreme case—to run the transition team, then if someone in the Heritage Foundation wanted to say, okay, all the Heritage Foundation is available to run an election campaign, that that need not be reported.

Senator STEVENS. No, no. That is going too far.

Chairman GLENN. Well, I would agree that is going too far.

Senator STEVENS. It is post-election, not campaigning.

Chairman GLENN. Well, but why would you not want that reported? That is what I am getting at. If we are going to say that one thing like that should be reported during an election campaign but then could be run secretly during a transition period, it would seem to me that that would not follow, because you are into a period of the greatest possible conflict of interest. So it would seem to me if it applies one time, that you want to keep basically the same rules on through into that transition period.

There may be some changes, and I agree that this thing of who is running the celebration, the inaugural and all the festivities around that, that is a little bit of a gray area and I think those could be separated out mainly so there was not a major conflict there. But those funds should not be intermingled, as I see it. I think there is too great a potential for conflict of interest there.

Let me ask one other thing too, to clarify the FEC regulations, if you would, on the use of public campaign funds. FEC does not approve or does not agree that public funds—it does not allow public funds to be used for any planning, and that was made as a result of the 1976 campaign when President Carter, I think, wanted to use some of the contributed funds for planning purposes and FEC said it was illegal to do that and refused it; is that correct?

Mr. SOCOLAR. Could we respond to that for the record?

Mr. BOWSHER. Yes. I would like to go back and research that. My memory is hazy on that, to be very honest with you.

Chairman GLENN. Okay. Good. If you would give us a letter back for the record on that as soon as possible, we would appreciate it much.

Mr. BOWSHER. Yes. We will, and we can do it very quickly.[1]

Chairman GLENN. All right. Very good.

Your past reports have made a number of technical proposals for revising the 1963 Act. Do you have any suggestions to make at this point as we go forward with our hearings?

Mr. BOWSHER. Well, I think some of the technical areas would be, again, in the area like military aircraft and I think it would be good—we have always taken the position that it would be good—to get the use of that facility built into the transition costs and properly accounted for. And we can give you a list of other things, Mr. Chairman, that we have noted from these audits. But I think by and large the irregularities that we noted were not too big. The big thing is to get the donations reviewed and expenditures reviewed and disclosed and audited. I think if you do that and an adequate amount of money for them to run their transition, I think you have the major issues.

Chairman GLENN. Your $5 million figure you suggested earlier, I mentioned this earlier but I would like to follow up a little on it. Is that based on any accounting of past campaigns?

Mr. BOWSHER. Yes. We looked at the past audits that we did and how they had spent the money. And then, as I say, we adjusted the money upwards to be in current year dollars, and then we looked at what they had spent, or approximately spent on the private side and that is how we came to the $5 million.

Chairman GLENN. Okay. So there was a basis for that. It was not just off the top of your head?

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[1] See p. 260 .

Mr. BOWSHER. No.

Chairman GLENN. Okay.

Mr. BOWSHER. Now, we would be also pleased—I know that the GSA is going to come with an estimate, or prepare an estimate—we would be pleased to review any estimate they come up with and give you further thoughts on what the amount should be.

Chairman GLENN. We would appreciate you doing that.

Senator Stevens, do you have any more questions?

Senator STEVENS. No, thank you very much, Mr. Chairman.

Thank you very much.

Chairman GLENN. The only point I would make on this Heritage thing is that it seems to me that if you are able in a transition period, when you are most vulnerable to conflict of interest coming in, that the least we could do is say, okay, if there is a big contributor—let's say, take Senator Stevens' example on this, that they say, okay, we will run the whole transition for you. That would be pretty big. It seems to me that that should be disclosed and people should know that. It should not be able to be done secretly in all or in part.

I do not know what level you carry this down to. You come down to a single report out of a law firm like you mentioned a while ago. You have got a dozen of those coming in a day, probably, in a transition period. I do not know whether that should be reported or not. But it seems to me where there is a big major block contribution like that, it should apply every bit as much in transition as it applies in the general election campaign.

Now, maybe we are too tight in the general election on contributions like that and the reporting of them. I do not know.

Senator STEVENS. Well, there are none in the general election.

Chairman GLENN. You have to report in-kind contributions if they are major like that.

Senator STEVENS. There are none. You use Federal funds during that period, Mr. Chairman.

Mr. SOCOLAR. There is another way of looking at it also, and that is that the Heritage Foundation could not ordinarily provide contributions to the Federal Government to run an operation, and the question is really related to the quasi-Governmental aspect of what is going on in the transition. The funds are being used for a public purpose and the issue really is whether all of the funds dedicated to that public purpose should be made available, made known to the public.

Senator STEVENS. I do not want to prolong this, as I said. But let me tell you, that is not so, either. You know, if I wanted to get the Heritage Foundation to do it, they could write up a plan for the next transition using the monies that are available right now. You would not be able to audit it. It would not have to be disclosed except, you now, they are a tax-deductible foundation with a national representation. They could present plan and publish a book. You could do it, too.

Now, suppose my friend here is the President-elect, he picks it up and he says, that is the best plan I ever saw, call them in, I want them to run my transition. What are you going to do? Go back and have them disclose all the money that was contributed to them? I mean, the real problem I am trying to point out is that it is ludicrous to try and put parameters around a President-elect. He ought to be unfettered and allowed to take the best advice he can get and I do not see why you would have to audit the contributions that are made, be there in-kind or cash, as long as the problem is in terms of disclosing what is done with the Federal money. I agree with that. That is taxpayers' money.

But this, I just do not see it. We have got several books, as a matter of fact, that I have just come across in connection with this hearing—I hope you have seen the reference to them—I intend to read, critiquing past transitions. Isn't that a contribution to the next transition? Could we audit where that money came from? I know that was not financed out of the goodness-of-the-heart kind of money. Those were contributed funds.

Mr. BOWSHER. I think our position, Senator, is that on in-kind contributions it is difficult to audit. And as you say, I am not sure it is necessary. I do believe if you want to know, though, who is making these kind of contributions—and it is not so much that central group of how to run the transition, it is more in the departments. I think sometimes there has been a concern that maybe special interest groups were getting to certain departments and making contributions that people should at least be aware of, at least know what is happening.

Chairman GLENN. Well, the dividing line to me on this—not to carry this on, because we could talk all morning on this—but the dividing line to me is one is advice and one is execution, putting it into play. There could be a dozen books and a dozen studies and I can say, man this one is great; I am going to be President and I like this. But if I then say, Heritage Foundation come in and execute this for me, and I am announcing I am putting this into play, then it seems to me that that should be disclosed that they are now working in this, they are carrying it out, they are going to tell us how to set up State, they are going to manage that part of the transition for me.

One is advice and one is execution. It seems to me when you get to the execution stage, then the fullest kind of disclosure does not hurt anybody. If it does, I do not see what secrecy provides at that point and we might as well let everybody know what direction we are going.

Thank you gentlemen. Thank you very much. We will look forward to subsequent testimony.

Our next witness is Raymond A. Fontaine, Comptroller, General Services Administration. Mr. Fontaine, you have been sitting patiently. We appreciate you being with us.

TESTIMONY OF RAYMOND A. FONTAINE, COMPTROLLER, GENERAL SERVICES ADMINISTRATION

Mr. FONTAINE. Thank you, Mr. Chairman. I do not have a formal statement but I would like to summarize GSA's role in both the Transition Act and the Former Presidents Act since they are pretty much intertwined.

GSA's primary responsibility is to furnish space, telephones, furniture, supplies—our normal business. In addition to that, my office prepares the budget justifications for both the Transition Act and the Former Presidents Act. I testify in front of OMB and the Appropriations Committees on the Hill.

More specifically, I am the certifying officer for all public expenditures which result from these acts. That gives you a thumbnail sketch of GSA's involvement and I would be pleased to answer any questions you or Senator Stevens may have.

Chairman **Glenn**. We need your institutional memory in this because you are sort of the operations people of a transition. You are the ones that give all the real logistical support, as I understand it. You are it in terms of that. Can you give us any background about what you are doing to prepare for next year? I will just ask that as a kickoff.

Mr. **Fontaine**. Obviously, this is one we can plan on. So many of the others were always up in the air.

Chairman **Glenn**. Can I ask one thing before you start. The transition funding now, does that cover all of your activities and you have to pay—they have to pay you for those activities. Do you have to reimburse them or are some of these things just taken out of your hide at GSA? And if so, what is that expenditure in addition to the $2 million transition fund?

Mr. **Fontaine**. That is a tough one. Let me answer it this way. Our policy has always been that if GSA incurs an out-of-pocket cost, we will charge the transition. Let us look at space as an example. If a transition team is willing to go into a Federal building that we already own or where we have vacant space on an existing lease we will not charge them. If they want us to go out and lease a new building or a suite of rooms in a hotel or anywhere we would incur the costs, we would pass that on to the transition team. The same is true of furniture, if they do not like what we have in a warehouse or they do not like gray metal and they want furniture bought, we would charge them. Again, it is a judgment. If GSA incurs costs, we pass these costs on to the transition.

Chairman **Glenn**. Is there much of that done that they want to upgrade above anything you are able to provide, or is that the rarity more than the normal rule?

Mr. **Fontaine**. Let me summarize the last one, the Reagan/Bush transition. We happened to have vacant office space at Connecticut and M Street which they were willing to take, so we did not incur any cost for space. They basically took the furniture, typewriters and other office items that we had. Some things they wanted upgraded, and this is where we are going to get into this private thing involving more than a motor pool vehicle; it would be items such as first-class travel, and more food and lodging money than the per diem law allowed. That is where they had to use private money because we could not go along with those things.

Chairman **Glenn**. Do you think the $5 million that the Comptroller General suggested for your observation of this transition cost, is that adequate to cover a transition operation? Maybe that is unfair to ask you because you are dealing with mainly logistic support over here and not with that.

Mr. **Fontaine**. Well, I will take a shot.

Chairman **Glenn**. But that would be the major bulk of the cost, anyway, I would think, would be the logistical support for all of this, for having people come in for interviews and they are housed and they are back and forth and they are transported and so on.

What is the $5 million figure? Does that add up?

Mr. FONTAINE. My personal view is that, $5 million would be more than adequate, particularly if there were no private funds. If you still allowed private funds and volunteer workers, my guess, based on inflation, what I know that space at M Street would cost today, pay increases Federal employees have had and so forth, I would say $3 to $3.5 million would be ample.

Senator STEVENS. Could I interrupt you?

Chairman GLENN. Yes sir.

Senator STEVENS. You did not charge the fund for the M Street space, you are saying?

Mr. FONTAINE. No, Senator Stevens. We had an existing lease there. We were paying for it already. Somebody had just happened to move out. But if we had entered into a new lease yes, that would have been charged to the transition. In the case of Mr. Nixon when he wanted to be in the Pierre Hotel in New York, That was paid from private funds. The Carter people went into Government-owned space on Independence Avenue. So it has been a mixed bag, depending on where they wanted to be located.

Chairman GLENN. But where you have Government space like that at Connecticut and M, or wherever it is, you do not require reimbursement?

Mr. FONTAINE. No, sir. I mean, we have already budgeted for that money and we are paying for that space. We just happened to have a tenant move.

Chairman GLENN. Was that a very substantial amount? I know it is a temporary thing for a few months. But is this an enormous amount of space, or what is involved in transition? Is it fairly small by your standards, or is it a very major expenditure.

Mr. FONTAINE. Well, they had a rather large block of space to house a large number of employees. They had approximately—I am talking about the Reagan people—in round numbers, 300 fully paid employees, about 300 $1-a-year workers and about 900 volunteers. So you have got to house 1,500 people.

But again, that space in 1980 was $9.57 a square foot. Today it would be about $27 a square foot. There would be a three-fold increase, if the next group happen to need the same amount of space.

Chairman GLENN. What did you do when someone wanted a limo instead of a motor pool vehicle?

Mr. FONTAINE. We denied the request.

Chairman GLENN. Did they then have to pay private funding for that, or did you pay part of their limo cost and pro rate it or something, or what?

Mr. FONTAINE. We did not pay for limousine costs. I assume they used private funds because we would not certify a bill for a limousine. My view is that even if they are new to Government, they should play by the same rules as other Federal employees, and that means no first-class travel, and per diem is $117 a day, et cetera. I have always felt that this approach was fair and they should be treated just like the rest of us.

Chairman GLENN. How do you audit this? Do you do your own internal audit on these expenses and report those just as a general auditing function? Or do you think this should be taken out and treated separately by FEC?

Mr. FONTAINE. My office is responsible for the accounting and monitoring the expenditures. GAO, to my knowledge, has never missed a year of auditing the books in quite a bit of detail; newspaper people and investigative reporters are also quite interested. We get a lot of attention on this.

Chairman GLENN. How do you take care of things like a transition team as you mentioned, the Pierre in New York, or Plains, Georgia, or the Ranch in California or so on? Do you have to pick up those expenses or are those private funds?

Mr. FONTAINE. We deal with them individually. As I said, with the Nixon people in New York—obviously there was an expense. The hotel had to be paid and we charged the Transition funds. In President Carter's case, they returned to Georgia and they were operating basically out of their own residences. We, obviously, have logistical problems and support problems supporting the Secret Service, which gets into another issue in this whole area. But again, it can be a mixed bag, Mr. Chairman.

Chairman GLENN. Do you have any other examples of increase of costs? You mentioned the $9 to $27 over—when was that?

Mr. FONTAINE. 1980 to the present.

Chairman GLENN. 1980 to the present has gone up three times over 8 years?

Mr. FONTAINE. Well, of course, we may have had a long term lease we signed in the 1970s, but you would never get that space for $9.57 again, not in Washington. Government salaries have gone up 14 percent since then plus you have an inflation factor on everything from supplies to automobiles to telephones.

Chairman GLENN. What advance contact do you try and maintain with the campaign so that you have as good a handle on what the expenses will be as possible? Do you have a team that meets with each of them in advance, even before the election?

Mr. FONTAINE. That has varied. It is their responsibility to get in touch with GSA. We are here to assist them but we do not solicit business from the incoming group.

Chairman GLENN. Do you have any estimates of what your preelection planning effort within GSA costs? Is that included as a line item in your budget?

Mr. FONTAINE. No, Mr. Chairman. Again, I think since we have been through a number of them, it is pretty easy to deal with in the sense that we have some corporate memory and experience with these things now.

Chairman GLENN. What has this type thing cost you in the past? Do you know how much it has cost specifically?

Mr. FONTAINE. No, sir. I could not give you an estimate on that. I really never thought about it in that vein.

Chairman GLENN. I was wondering what—we are talking about an amount that is given directly for transition planning, but it seems to me a factor to consider here to is what your costs are as far as giving all the support and so on that you do.

Mr. FONTAINE. Well, of course, the costs of GSA employees are covered by an appropriation provided to the agency. The transition occurs periodically and is not a full time job.

Chairman GLENN. One suggestion we had in the past would be that on something like this that the campaigns be able to go out and then ask for reimbursement. Would that be an unduly complex situation?

Mr. FONTAINE. I would have to think that out. I, obviously, do not want anything that is going to turn into an accounting nightmare and I have had some problems in the past with that.

Chairman GLENN. In your observation of this, has the availability of private funds in the past to the President-elect reduced some of the pressure on GSA to set up certain expenditures or do certain things? In other words, are there some of these costs that you think should be picked up by private interests?

Mr. FONTAINE. Again, as in the example I cited, like first-class air travel or limousine are things that I do not feel the Government should pay for. If they have private money available and wish to spend it on those kinds of things, I personally do not see anything wrong with it.

Chairman GLENN. How much have you been called upon to support specific inaugural activities as opposed to transition?

Mr. FONTAINE. We are involved in those, obviously, for GSA support; again, sometimes motor pool cars, maintenance, space, communications. We get very involved in inaugural activities..

Chairman GLENN. What would your expenditures be, specifically on inaugural activities? Can you give us any estimate on that?

Mr. FONTAINE. In the 1989 budget, we have estimated $1.5 million for GSA's portion. This is only the GSA portion not military or private money. I do not know who could tell you what the total cost of an inaugural runs.

Chairman GLENN. What is done with regard to helicopters and military activity and things like that? Does the military just supply that and no questions asked?

Mr. FONTAINE. My recollection is that they tend to request reimbursement from the Inaugural Committee.

Chairman GLENN. On just the overall question of GSA's role in the transition, there have been suggestions that you could have a formal office established as sort of a one-stop shop for transition planning and operations, since you are the ones that have the institutional memory for this. Do you have any thoughts on the establishment of a GSA presidential transitions office? Do we need such an entity, or do you in effect already have it?

Mr. FONTAINE. I think we already have it. To me that would be an unnecessary layer—another bureaucracy and a waste of money.

Chairman GLENN. What happens when you call on other agencies to do things, or do you have to do that very much during a transition?

Mr. FONTAINE. Generally we do not. We have most of the capability in-house to provide whatever logistical support they ask for.

Chairman GLENN. Do you in your activities and support rely pretty much on Government people or are there volunteers involved in the activities that you provide?

Mr. FONTAINE. Generally, they will always be Government people unless we let a contract for some specific thing.

Chairman Glenn. Do you have much actual contracting, specially just for a transition period, or are you able to supply this out of your normal activities?

Mr. **Fontaine.** Again, most of it would come from Government. You may have a case where they want to contract to lease, for example a hundred IBM typewriters for 2 months that we do not have in stock, something like that, or lease an AP/UPI machine, or a duplicating machine. Again, I do not like to see them buy things when they will only be used for 2 months.

Chairman **Glenn.** What suggestions do you have on—you have listened this morning here very patiently to all of this—what suggestions do you have that would help in the next transition from your standpoint, and also, mainly from the standpoint of making the transition as smooth and as good and effective as we possible can make it? What advice would you give us?

Mr. **Fontaine.** Well, first of all, I would like to see the Transition Act apply only to the incoming administration and not to the outgoing administration; put the outgoing immediately under the Former Presidents Act. During the period after January 20th, when we begin to get bills, we presently have two appropriations to deal with; decisions must be made on whether it is a transition expenditure or a Former Presidents expenditure? I would make the transition totally clean, only for the incoming President.

Again, the effective dates under the present transition law give me a lot of problems. When you have a President leaving office January 20th who needs to have an office wherever he chooses as a former President to go there is a problem. There is, obviously, lead time on space, furniture, supplies, telephones, and there is, no way I can have an office set up by January 21 when I cannot spend a penny prior to that.

Chairman **Glenn.** Do you mean back home or Washington?

Mr. **Fontaine.** Wherever the former President chooses to establish their Former President's office. Because we are prohibited from spending money prior to them leaving office gives us a lot of headaches.

Chairman **Glenn.** What do you need in that? How much expenditure is involved? That sounds to me like something that should be taken care of. A President leaving office, we want that President to have some place to go and a place to hang his hat because there are a lot of official functions and things he still will be dealing with.

Mr. **Fontaine.** The former President is entitled presently to $1 million he and the former Vice President—under the Transition Act. I would suggest putting them immediately under the Former Presidents Act so that we do not have two pots of money to deal with.

But to have an office up and running, if Mr. Reagan decides to go to Los Angeles—I cannot have an office up without some lead time on the various things that are involved—space, furniture, phones, et cetera. I have problems with the effective times on this.

Chairman **Glenn.** Is it just that they do not let you know about this until too late for you to do anything to prepare?

Mr. **Fontaine.** No, sir. The law prohibits me from obligating any money before they leave office.

Chairman GLENN. Even to prepare the place for them to move into?

Mr. FONTAINE. That is right.

Chairman GLENN. You cannot have it 30 days prior to January 20th or whatever?

Mr. FONTAINE. No, sir. I would like to have those funds available for use effective with the fiscal year, beginning October 1 which would give us some lead time. At that time, we know he is going. It is just a matter of where he selects to go.

Chairman GLENN. How did Jimmy Carter do when he moved to Atlanta? Was that not set up? He had to wait until after he was out of office before you could even offer him different spaces there under the use of Federal property?

Mr. FONTAINE. He had to stay in his residence in Plains for 6 to 8 weeks while we, rushed to get office space ready in the Richard Russell Building in Atlanta; again, because I could not obligate any of this money prior to January 20th.

Chairman GLENN. Even though you knew basically where he wanted to go and what space would be required?

Mr. FONTAINE. That is right.

Chairman GLENN. Well, that is one we ought to be able to correct on that one so we make a little smoother transition for you in the outgoing as well as incoming. We have been mainly concerned with incoming, obviously, and the possibility of conflict of interest. But it seems to me you should be able to expend some amount of funding to prepare the outgoing also.

Mr. FONTAINE. Another thing, there is always a time period after the inaugural in which we clean up bills, things in the pipeline. It usually takes 60, 90 days for everything to come in so that it just does not shut off completely after the inaugural. There are always things in the pipeline coming in.

Chairman GLENN. Like bills that just are not submitted promptly?

Mr. FONTAINE. That is right. There are always lags and this and that and the other. For the incoming President, since we cannot spend anything before election day even though the appropriation would be available October 1. Maybe some dollar limitation the Congress would come up with so that the funds could be made available. At least give them another 5 weeks jump on it, if you will.

Chairman GLENN. Okay. Thank you. We appreciate your testimony this morning. We might have further questions from other members of the Committee or staff here and we would appreciate your response to them so that we can include it in the record.

Mr. FONTAINE. Fine. Thank you Mr. Chairman.

Chairman GLENN. Thank you very much.

Our next panel, Panel 1, includes Mr. J. Jackson Walter, former Director of the Office of Government Ethics and former President of the National Academy of Public Administration; and Ray Kline, President of the National Academy of Public Administration, former Acting Director of the GSA.

Gentlemen, we welcome you this morning. You have been very patient this morning. I think it has been interesting though, probably, to you to hear some of the questions and responses here this morning, too, so maybe your time has not been wasted up until now. We appreciate your being here.

Mr. Walter, if you would go ahead, please, with your statement?

TESTIMONY OF J. JACKSON WALTER, FORMER DIRECTOR, OFFICE OF GOVERNMENT ETHICS AND FORMER PRESIDENT, NATIONAL ACADEMY OF PUBLIC ADMINISTRATION;[1] AND RAY KLINE, PRESIDENT, NATIONAL ACADEMY OF PUBLIC ADMINISTRATION AND FORMER ACTING DIRECTOR, GENERAL SERVICES ADMINISTRATION[2]

Mr. **Walter**. Thank you, Mr. Chairman.

For the record, I am Jack Walter and I am appearing here this morning as the President of the National Trust for Historic Preservation. I have submitted a statement which makes it clear that my guess is that you are probably more interested in what I have to say as the former director of the Office of Government Ethics during the 1980–81 transition and then Ray Kline's predecessor as the President of the National Academy of Public Administration.

Chairman **Glenn**. Your statements will be included in the record in their entirety.

Mr. **Walter**. Thank you. Obviously, I would love to dwell on the constitutional implications of some of the things that you are talking about here this morning—the advise and consent clause, of course, gets me quickly into the career of James Madison and his house, Montpelier, which we are trying to preserve, but perhaps we could come back to that.

I was the director of the Office of Government Ethics during the only transition that has been made under this Act. To the extent that gives me an exclusive, I guess we will remember some of those days a little bit while we are here.

President Carter appointed me late in 1979 and President Reagan asked me to stay on, which I did until late in 1982. I then moved on to the National Academy of Public Administration where I was lucky enough to get involved with John Macy, whom many of us remember as President Johnson's presidential personnel director. He and I put together a book called "America's Unelected Government: Appointing the President's Team." And while I was there I initiated what became the presidential appointee project that during Ray Kline's tenure at the National Academy has produced really an extraordinary set of publications about presidential transitions and the appointments of presidential advisors to Senate-confirmed positions.

Cal Mackenzie was the director of that effort. He is unable to join you today. I am really pinch hitting. But he directed that entire study and I certainly encourage you to consult closely with him. He really put together the best analysis on these matters that has been done in many, many years.

I have, really, just a couple of simple points. The first one is that it seems pretty clear to me that the number of positions filled by political appointment probably has grown too large and the standards for including them are, relatively speaking, pretty unclear.

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[1] See p. 216 for Mr. Walter's prepared statement.

[2] See p. 220 for Mr. Kline's prepared statement.

Certainly, if, as Mr. Bowsher and others have suggested earlier, the business of recruiting presidential appointees is becoming tougher and tougher for all kinds of reasons—and there are all sorts of reasons that make it hard—then it seems to me that it is not real sensible to increase the number of positions that you have to recruit.

That just makes a hard job even more difficult and I would think that instead we might want to go back and review some of the Senate-confirmed presidential appointee positions and perhaps allow ranking SCS career members to continue to fill them in a professional basis.

Secondly, I think we have already heard enough to say that it would make sense to allow pre-election transition planning to begin perhaps right after the nomination has been secured. I think Mr. Fontaine has a good point about when the funds can be obligated and surely we could fix that.

It is virtually impossible to put together a Government between early November and the 20th of January under any circumstances. I do not really believe that adding 5 or 6 more weeks to that would make it easy. It is still virtually impossible, but anything that we can do to make it better, easier, and more productive has got to be a step in the right direction.

Thirdly, it takes too long for the appointees of a President-elect to get confirmed and at their desks working. There are a whole lot of different explanations for that. When I was at the Office of Government Ethics, by and large I seem to remember—maybe I am just thin skinned—that I was supposed to be the reason it was taking a whole long time. We took a pretty close look at that and it turns out on the numbers that it is really not true.

There are those who suggest that the full field investigations conducted by the FBI could stand to be reviewed and made perhaps a little bit more germane and relevant to what it is that is being looked into. I never conducted a full field investigation—I coordinated with the FBI a good deal but far be it for me to know whether you can cut back on that. It does take a long time. It did take a long time and it is very expensive and whether or not the information that is discovered is exactly what the presidential appointee or the presidential personnel teams are looking for I think is occasionally open for question.

Then there are some things in the Ethics in Government Act, which after all, is also within the jurisdiction of this Committee, that while I was still in office I suggested could get fixed to make the transitions a little clearer. One interesting glitch which I think has not been fixed has to do with who gets access to these financial disclosure forms by the terms of the statute. The statute provides that they become public upon the nomination by the President of whoever it is that is being nominated.

Obviously, prior to confirmation the President-elect is not technically in a position to nominate anybody. On the other hand, the press and everyone else is dying to find out who is going to be nominated to these positions, so they camped out in the Office of Government Ethics. We were a public full-disclosure office, hardly very secure, made no claims to be secure, and they were constantly looking for some sort of a name to fill the various jobs.

It seems to me that we probably could clear up the question of when the financial disclosure reports of those persons whom the President intends to nominate get public so that everyone knows what the rules are and we do not have to work out a lot of private treaties between the Office of Government Ethics and the presidential transition teams.

We did that in 1980–81. It worked pretty well. Everyone was perfectly content with what we did, but it certainly was not done according to the statute. It was done according to what you might call the exigencies of the first time that you had to try this law, which had some holes in it and could stand to be fixed.

Other than that, the suggestions that we published while I was still in office about transition and the Government Ethics Act, I think are still relevant and I would simply stand by them. I think the Committee staff has those, Senator.

That finishes my statement. Thank you very much.

Chairman GLENN. Good. Thank you very much.

Mr. Kline, we are glad to have you with us and we would welcome any statement you make.

Mr. KLINE. Mr. Chairman, I have submitted a statement for the record.

Chairman GLENN. It will be included in its entirety. Thank you.

Mr. KLINE. At the same time, I drafted another informal statement, listening to what was going on this morning. It is based on my experience at the time that I was running the General Service Administration during the time that President Carter left and President Reagan came in.

In a very general way in the context of the questions you have raised with other witnesses today, I would like to address four particular points that the Committee may find of some value.

There is no way of overstating the amount of bedlam that occurs around town when a new Administration plans to arrive. The number of players arriving in town, some to become famous but who are largely unknown on the date of arrival, gives some degree of uncertainty when you are operating from an agency like the GSA as to how you interact with these particular groups.

In terms of the way the process runs as to when one starts dealing with people on a pre-planning basis, it does start right at the conventions—after both nominees are named. It is at that point that the GSA will get in touch with both of the candidates and arrange with them for briefings on what it is they are going to be stepping into as this process moves forward.

Chairman GLENN. Do they pay any attention to you at that time?

Mr. KLINE. Yes, sir. They will send teams by for briefings to understand up front some things they are going to be up against. They pay attention in terms of hearing what it is they may be expected to do. As to how they respond to that is another kind of a question. At that point they are encouraged to lay out as best they can their requirements for logistical support as the election process moves forward in both parties.

The big problem in those early days is getting the act sorted out among the incoming players as to who is on first and who is calling the shots. Very often this is not all that clearly understood within the party itself. Obviously, there is some stress taking place within the party as to how the various roles are going to be sorted out. But that is one problem I do not see being solved by legislation on anybody's part.

But the point I want to stress, I think along with all the other witnesses and based on my own personal experiences, is the need for more pre-planning to get a lot of things laid out in advance so that the day after the election people are hitting the ground running and not beginning to address these issues in whole cloth.

Important is the identification of the key people, some of the practical things like knowing what is the key team and who is on it so that they can take care of some of the preparatory bureaucratic work like filing out clearance forms, things of that practical nature that often take weeks and sometimes months. After the election has taken place much of that can have been well attended prior to the election having been held.

So I certainly would underscore the point that there has to be an allowance for pre-planning.

In the area of financial controls, there was some discussion today about whether the financing of the transition should be supported in toto by public dollars or whether it should in part be supplied by private funding. I have been on the teeter-totter of that particular issue, depending on the perspective taken in looking at the issue. Looking at it in a very practical way of simply bringing an Administration in, I would prefer to see a ceiling control of public funds because the existence of such controls are of very great value in administration.

Those controls can dictate the number of people involved in the transition process, the amount of physical space the people are going to need, the number of cars required, the number of coordinating points to be established. We had an extremely active period of working with the Reagan group when they came in to sort out the sheer numbers of people—how many there are, what their roles are, where they are to be located, how they are to be housed and things of that nature.

But that is looking at it selfishly, from running an agency and keeping something within bounds and under control. The other part of the issue is broader in perspective and, I think, really governs my thought in the final analysis. That is, there are larger issues involved than just GSA being comfortable, and that is the transition to a new President in the most powerful nation on earth. And I think here the big driver is making sure that the job is getting done and that the resources be available to get that job done.

I agree with those who have said that there should be more public dollars, a larger appropriation to support the transition effort. But I believe that there should be provision for volunteer effort from the private sector or private contributions to underwrite that. I think it does come down to a question of controls on the sources and uses of these voluntary efforts and private contributions.

I think the record will demonstrate—that in terms of those dollars that flow from appropriation from the Congress—GSA has run a very tight system of accounting for those funds. The agency took great care to make sure there was no commingling between what came through from the Congress versus the funding that may have been provided from private sources.

We knew that, as night follows day, this entire business was going to be audited, perhaps a number of times, immediately after the election was over. We were very rigorous in the way that that was handled. The comment that Mr. Fontaine made about how we dealt with requests from certain people for certain things, like larger cars is quite accurate. As he said, we just did not let them do it; we turned them down. That is literally the way the operation was handled.

Once people understood that, I think the situation ran quite well. Along that line, I have come up with a suggestion. I think there has got to be a Federal set of Ten Commandants—a code of conduct that applies to people coming to town. It is amazing how many people beyond the beltway think that us careerists live fat and happy lives in town here, that we take Government cars to drive from home to work, that we have our own limousines, that we all fly first-class, things of that nature—and that they want to do the same.

Some people bring those attitudes in, and they are not at all bashful about stating their requirements. At a practical level, some of the biggest issues early on are dealing with people who walk with a swagger as to what they think they are entitled to—people who may vanish within a week.

Chairman **Glenn**. They just won an election.

Mr. **Kline**. They have just won an election. The name-dropping can be rather awesome. And I think that a lot of that could be headed off at the pass if, as people join the transition team, they are handed a card with the Ten Commandants on it—like, you do not travel first-class in the air; like, you do not take your Government car on a regular basis from home to work. And I think there is a whole range of things that deal with travel, transportation, promising jobs to people, the personnel systems of the Government, the Government's procurement process, things of that nature.

I think there is a list of things that can be done here that would be extremely helpful. Whether that needs to be done legislatively I do not know, but I certainly think the organization in a position to draft that list is the General Services Administration. And it would avoid a lot of the agony working with the Administration coming in.

You raised the point, finally, Mr. Chairman, about whether GSA needs a separate organization to handle presidential transition? I agree with Mr. Fontaine: it does not. I think it would lead to another bureaucracy that I think is unnecessary.

If I can linger for a moment on how the transition was handled in GSA, it was coordinated right out of the office of the administrator by a leading logistician dealing with the key people of the incoming group. Understanding who that key player is from a logistical standpoint for the incoming Administration is a key item that needs attention—identifying someone who can speak authoritatively and with some accountability for the President-elect in getting done that which is critical.

Then, within that, the Agency has a strong controller operation to maintain the accountability that I talked about earlier. And then at the operational level to provide the best people the agency can provide, which was done through the GSA regional structure in the Nation's Capital. I think that that apparatus worked extremely well when you consider the challenge that was before it. I think that is adequate from a structural standpoint.

Those are my comments, sir.

Chairman Glenn. Good. Thank you very much. I want to get right on with the questions here.

We welcome Senator Sasser here with us today, also.

Mr. Walter, you were the first director of the Office of Government Ethics in 1978. You continued on into this Administration. Let me ask a very general question.

Have we out-ethics-ed ourselves? Are we making it so unattractive for people coming in that we are preventing good people from coming into Government instead of making sure they do come into Government? And I am the last one in world that wants that to be interpreted as saying that we need less ethics in Government. I do not mean that. But I know from personal experience how obnoxious it is to have to lay out every single nickel you ever made from any source, your friends, relatives, everybody else.

Are we discouraging people by our emphasis on this? Are there any changes that should be made? I guess that would be the question.

Mr. Walter. Well, Senator, I guess the question is, in all of the packages of pros and cons for accepting a Government position, all of the benefits and all of the deterrents, do the financial disclosure rules somehow tilt the balance in very many cases? Certainly, the underlying conflict-of-interest laws have been on the books essentially verbatim since the early 1960s, so I take it we cannot claim that is a new factor.

The new factor in the ethics area really is the financial disclosure rules. To tell you that I have some strong knowledge about the recruiting would be silly. I was way down the line in terms of the reviewing. I was not in the middle of the discussion between the President or the President's personnel advisor and a possible candidate sorting out those pros and cons.

I think, based on discussions that I had subsequently with a good many of these people, that the answer is certainly that the Ethics in Government Act by itself probably does not drive very many people away. It certainly has had constructed on it a whale of a lot of adverse publicity. I think the adverse publicity, coupled with a lot of the other things that we had seen this morning, your own experience with the "Quad Coms" over the years and the inability to try to get those pay raises in place, all of the other kinds of restrictions which are added together and perceived by a newcomer to Washington less individually than a whole package, which added altogether certainly is a deterrent. There is no question about it.

Chairman Glenn. You were involved in the 1980 transition very directly.

Mr. Walter. Yes, sir.

Chairman Glenn. We are concerned about this transition period, making it as effective as possible so we track the money, we make sure everything is above board but at the same time we get the very best people we can during this transition period to staff Government.

Now, during that 1980 period did you find that the ethics requirements were such that some people said, this is not for me, and walked off?

Mr. **Walter**. No. The only person that ever said that in the time I was there in 3 years was Frank Cary, who was asked—he was then the Chairman of IBM—who was asked to run the Synfuels Corporation and he was the only person who directly said no, because of the financial disclosure rules—that was in the Carter Administration, Senator, as you will remember—was the only person who said that. Other people may well have, but by and large it was my experience that we were able to work out the problems on the financial disclosure side pretty comfortably with most of the people if we could get to talk to them.

I think there were probably some people scared away for all kinds of reasons—I know there were—who decided not to accept the offer of a presidential appointment for all matter of reasons but because the Ethics Act was a useful foil, they chose to say, I am not going to do it because of the disclosure rules. But I do not think in many cases that in fact was the case, although it certainly was a contributing factor, along with a lot of other things. There is no doubt about that, as one of many factors life in the fishbowl of Washington, the moving of the family and all the rest of the upset.

But nonetheless, we do not have any trouble filling the Government with presidential appointees of very high caliber. That has not been—you know, the jobs do not go begging, is what I am saying.

Chairman **Glenn**. Let me ask you both a question. The NAPA report concludes with a recommendation that the Committee conduct a Government-wide assessment of political positions as a way to, and I quote, "identify and reconvert many of those positions," end of quote, back to career status.

You mentioned the numbers of people involved in this thing. Should we be trying to reduce this 2,000-plus appointment procedure? I do not know that we can do that. But any new President-elect wants his people to carry out his policies. I gather that the NAPA report would feel that that carrying out the President's policies and putting people in key positions could be reduced to a lesser number than the 2,000-plus; is that correct?

Mr. **Walter**. You have two presidents of NAPA here deciding who is going to go first. I was there first. I will go first, I guess.

Well, first of all, Senator, I think if you look at the evolution of Cabinet departments, and maybe even the independent agencies—I am not sure of that—when James Madison was advising George Washington on his first appointees, he had four.

Chairman **Glenn**. Four?

Mr. **Walter**. Four. Right. That is it. Somehow now we are at 2,000. I suspect that the right number is somewhere in between. We do not have any real standard for what constitutes a Senate-confirmed presidential appointee position. There is certainly no consistency among the several Committees of Congress that create these jobs.

We certainly impose immense burdens on an incoming President by saying, you have now got 2,000 vacancies to fill. And a great burden on the Senate of the United States by saying, you have now got 2,000 people to confirm in these jobs and you are on the short end. Every time there is a delay, it is because the confirmation process is going too slowly and therefore I cannot put my program in place because I am having to deal with all of these vacancies.

I think, on the other hand, the new Cabinet departments or the more newly created ones are the ones with by far the largest numbers of Senate-confirmed presidential appointee positions.

Chairman **Glenn**. Yes. It is a WPA program that we get into here to on the creation of this because we have to confirm all of those that are—not all of them, but too high a percentage of them.

Mr. **Walter**. I am mindful that when James Webb, who was the founder of the National Academy of Public Administration, quite apart from his role at NASA, was running NASA there were 2 presidential appointees in all of NASA. And they did rather well. It was a responsive agency and seems to have done a good job. We have now gotten to the point where the plum book takes a very, very big briefcase to carry around with you and I think it is simply too big.

Chairman **Glenn**. I am not sure we could go through the throes up here at this particular time of reconverting some of those positions back.

Mr. Kline, do you have any comment on that before we move on to Senator Sasser?

Mr. **Kline**. Yes, sir. On that point, I do not think there is a general prescription that applies across the Government. I think the 2 forces here are quite obvious. One is the one that you mentioned about a President having a team that is going to help him or her achieve the objectives and the policy goals of the Administration.

On the other hand, we have the point that Mr. Bowsher emphasized in his statement—the need for continuity of Government, the institutional memory point, the careerists who are in position to continue to move the efforts forward across Administrations.

Based on my experience in a number of governmental cultures, I found that—having spent a third of my life in NASA—that the nature of that particular agency having a very thin layer of political appointees is quite the way to go because of the high-tech nature. In other agencies there may be a need for greater political penetration because of the President's priorities and where he or she may be coming from in driving those priorities.

But I think in terms of the recommendation of the report, it would do the country some good to have some understanding of it, and therefore to have the Committee take a look at that and understand it in the context of the different agencies and departments as to what is going on.

But as far as I am concerned, the numbers themselves are not the full story. There has got to be penetration of these other factors as well.

Chairman **Glenn**. Thank you. Senator Sasser?

Senator **Sasser**. Thank you very much, Mr. Chairman.

Mr. Walter, I was just perusing your statement here before the Committee and I note you indicated that, and I quote, "the number of positions filled by political appointment has grown too large and must be reduced."

Given that—that is your statement, is it not?

Mr. **Walter**. Yes, Senator. I was quoting from the report of the National Academy of Public Administration in that quote. That is a recommendation from them.

Senator **Sasser**. I see. Well, do you agree with that recommendation?

Mr. **Walter**. Sure, subject to the comments that I have just made and that Mr. Kline has just made; absolutely.

Senator **Sasser**. Well, I think one of the real problems that we have seen in our national Government is the inability of an Administration, a President, really, to directly influence the policy or initiate his policy and execute it down through the Executive Branch of Government.

Now, I am not unmindful of the problems and the disorder that may come about as a result of there being a substantial number of political appointees in any Administration, whether it be Republican or Democrat, liberal or conservative or whatnot. And it may be disruptive of what we would think is the most orderly process of public administration. But I see no other way that a President can work his will on his Administration and through him the majority of the American people can work their will on their own Government.

We are all familiar with the old saying that Presidents may come and Presidents may go and Senators may come and Senators may go but the professional civil servant, the bureaucrat, lives on. They have been through many, many Administrations. And they serve a very vital role, and I am not trying to underestimate their enormous contribution to the running of this Government.

But I do think that if we are to have a democratic system that a President must have a way of pushing his views and his policy down through the Administration. And I do not know of any other way you can do it other than by a very substantial number of so-called political appointees.

What is your reaction to that assessment?

Mr. **Walter**. I think we will probably both want to take a shot at it. First of all, I have never been in civil service, Senator. I was a political appointee of President Carter and then kept on in the Reagan Administration, so that I have never been the voice of continuity and corporate memory which Mr. Kline certainly has many years of experience in that regard.

I agree with you. I think, Senator, that that is exactly one of the poles of pressure. The other one is that the presidential appointee process at the moment simply does not work very well. The Presidents are not getting the people that they want. They are not getting into office quickly enough. It is taking too long.

Senator **Sasser**. Why are they not getting the people they want, Mr. Walter? I am curious.

Mr. **Walter**. Well, I think that the——

Senator **Sasser**. Is it the inability to pay them enough?

Mr. **Walter**. I think that is certainly part of it, sure. The corrosive quality of life in Washington for a new appointee seems to be part of it. The pay is certainly part of it. The Ethics Act is certainly part of it.

I think that the package of factors added together that we talked about a few moments ago, I do not know which one is the decisive one but we have too much testimony from too many presidential personnel leaders in this country that says they are having a terrible time trying to recruit the people they are looking for to think that that is not true. They have done that job. I have not and I simply have to take their testimony as what it is worth.

But if we have a terrible time trying to recruit for a new President to bring the people into town that he is looking to bring and if, once he finds them, it then takes—according to the testimony of the NAPA report—a matter of 3 or 4 months to try to get them through the hoops that we have erected in the confirmation process before they get to work, then they only stay 2 years or less in many cases and then they have to go through the whole process all over again, and we are talking about more than 2,000 people at the top end of the Federal Government, then it seems to me we have got somehow a process that is broken.

The question is, how best can we fix it? Now, you know, my suggestion is, without regard for particular positions, because I sure do not know which position should cease to be confirmed by the Senate and somehow allocated back into the SES. I do not know how to do that. But if the problem is this big, if we could get it smaller, maybe it would work better. Maybe we could figure out a way to speed up the confirmation process. Maybe we could recruit better.

But right now the problem is too big. It looms ominously. Here we are now coming to the end of an Administration and the thought that the entire Government is going to have 2,000 vacancies for a period of time, no matter who wins the election, is something that has to give us pause. It is an hiatus that is very disruptive to the processes of Government in running the country.

How to get at that, you put your finger, I think, very correctly on one of the very strong tensions. The other one is how to keep the functioning and not come to a halt.

Senator **Sasser**. Well, I would agree that perhaps we do need to shrink the number of people coming in to a new Government who are subject to confirmation by the legislative branch and my surmise is that the number who are subject to confirmation is something that has sort of grown top heavy and no one has ever looked at it systematically to say now, does this individual really need to be confirmed.

And certainly I think that the number of individuals who are confirmed can be reduced probably by a substantial number. But I would also submit that perhaps the legislative branch is not the principal villain here. Many of these confirmation processes are simply pro forma and occur very rapidly once the nomination gets here to the Senate.

It has been my experience that a lot of the delay is occasioned by FBI background checks, checks here, checks there, delays in the White House in processing the nomination and sending it over. And a relatively few individuals who become controversial—we have got one before the Senate right now that I think you are well aware of in trying to fill the vacancy on the Supreme Court—but relatively few of those individuals are controversial and much of this confirmation process is pro forma.

I do not know how the Chairman feels about it, but frankly, I would like to see the number who are subject to confirmation shrunk so that after they are confirmed in a pro forma process we in the Senate are not subject to the accusation when they do something incorrect or wrong, well, you confirmed the chap, you know, you had a chance to do something about it, when in fact maybe technically we did but in reality we really did not.

How do you feel about my view that a large part of the blame in the confirmation process lies on the Executive Branch itself?

Mr. **Kline**. Sir, I would like to comment to that. Just a word of background so you do not think it is all theory. You are looking at an old bureaucrat here—over 30 years in the Federal service. Half of that time I reported to political, non-career executives. In my last job, I was Acting Administrator for 1 year of General Services until I left, as a matter of fact. And before that, during the Carter/Reagan transition, is served another long period of 6 or 8 months as acting administrator at that time. So I address it a number of different ways.

As I said earlier, it is a tradeoff between being responsive to a newly elected political leader, which is what our system is all about, and making sure things get done versus the point that the Comptroller emphasized about the continuity in Government, that there is a sustaining driving force going on as to the operations of Government.

You were not here at the time, but part of this study yielded that the average political appointee is in office about 2 years, just slightly short of that time, and then they go drifting off. Probably half of my career that I reported to political executives. Forgetting party, these ran the range from absolutely excellent executives, like the retired president of Shell Oil Company with whom I worked at NASA, to others of comparatively limited management experience.

When you look at it that way, it is not a matter that political appointees are all bad and the careerists are all good. It comes down to individual considerations about people, and I will say that about us careerists as well. We also cover spectrum that probably runs from very good to very bad. So the capability point is one thing to be talked about.

I think that, programmatically, if Sasser is elected President of the United States and he comes in with a——

Senator **Sasser**. Is this the beginning of the "Draft Sasser" movement, Mr. Kline?

Chairman **Glenn**. That is a wave I will support.

Senator **Sasser**. Thank you, Mr. Chairman. [Laughter.]

Mr. **Kline** [continuing]. A particular agenda to drive particular initiatives and these tend to focus in 4 or 5 agencies, I think that our political system would require that there be adequate penetration in those agencies to drive those programs. On the other hand, I personally do not believe that having program associate administrators of NASA be politically appointed because they have been the governor of some State or a big contributor to the campaign fund is going to lead to a better space shuttle.

I think the answer varies depending on the program sector that we are talking about and the agencies we are involved in.

Now, the other point that you are directly speaking to is related to, is it Congress's fault as to the delay in filling jobs? In my own case, if I was acting administrator for a year, is that Congress's fault that they held up the appointment of a new politically appointed administrator? Is it on the Senate's back that there was no confirmation for a 1-year period?

The answer is no. All of the problems were in the Executive Branch. All of the problems were attendant to finding people willing to take on the job, running through the hurdles, the pre-checks, and if one were to check the record they would probably find that a few people had to drop out because of what was found in background checks. And the cycle starts over, getting people to survive the kinds of hurdles that Mr. Walter just talked about. That is where the large time element was—in that part of the processes.

By the time they came up here to the Senate, the confirmation process was handled in a matter of days. So I agree with you: it is not all on the back of the Senate of the United States. There is an enormous variety of circumstances involved, all the way from the kind of cases I am talking about to the Judge Bork kind of case that certainly takes on a much greater importance than the kind of cases I have been talking about.

Senator SASSER. Well, thank you, Mr. Kline and Mr. Walter. I note that my time is up.

Thank you, Mr. Chairman.

Chairman GLENN. Thank you very much, gentlemen. We would appreciate your responding to additional questions we might submit from other members and from the staff later on.

We appreciate you being here this morning. Thank you.

Our next panel includes Mr. Elliot Richardson, former Secretary of Defense, and Mr. Benjamin Read, former Executive Secretary of State.

Gentlemen, we have had two basic purposes, and I think you are aware of this, of this Committee in the series of hearings that we are having. One is to cover the transition period as to how it is reported and what kind of support we have—do we put more Federal funding into it since the original funding was put in back in 1963 at $450,000 and was increased in 1976 up to $2 million. That would now be effective dollars of about $1.3 or so, $1.2 or $1.3.

That is one problem, as to what leaving this uncovered and the potential for conflicts of interest during that time period that appear to have been pretty much uncovered.

The other and equally important matter is having a successful transition in effectiveness of Government and getting the people in that we need and what kind of a system do we have and does it really encourage that or discourage it or whatever.

I cannot think of two better people to address this and we are very grateful to you for giving your time this morning and we appreciate the fact that you have been patiently waiting back there during a rather lengthy period here.

Secretary Richardson, I cannot think of a better person to address this than you. You are "Mr. Secretary" of everything, I guess. Maybe you missed Labor, Interior and Agriculture along the way, I guess, but you have been Secretary of Defense, HEW, at Treasury, Attorney General, Under Secretary of State. That is a remarkable public service record and so you come to this hearing this morning particularly well qualified to give us some advice and to comment on things the Committee is looking into. So we appreciate very much your being here with us this morning and look forward to your statement.

TESTIMONY OF ELLIOT RICHARDSON, FORMER SECRETARY OF DEFENSE; AND BENJAMIN H. READ, FORMER EXECUTIVE SECRETARY OF STATE [1]

Mr. RICHARDSON. Thank you very much, Mr. Chairman.

It is a pleasure and privilege to be here. I fully endorse and congratulate you and the Committee on its initiative in conducting hearings on the extremely important subject of presidential transitions. I would be glad to shed what light I can on some of these questions, Mr. Chairman.

It is true not only that I have served in a variety of posts, a number that has led to the frequent observation that I cannot hold a job, but I have also had the privilege in so doing of serving with virtually all the career services of the Federal Government, and I have had the opportunity as well to be a participant in or to witness a number of transitions.

Mr. Chairman, I cannot resist at this point, since this is the Committee on Governmental Affairs, offering you a suggestion which might well be adopted by the Senate as a whole as well as by its various Committees. It has struck me often, whether listening to Senate debate or listening to what passes for debate in a U.N. body like the General Assembly or the Law of the Sea conference, that there is a notable tendency on the part of all the participants to make the same or similar points over and over again.

Would it not thus be useful to have these points classified by staff after the first several speeches or statements and then let the witnesses when they appear push a button indicating which of these statements they agree with or disagree with?

Having that in mind, Mr. Chairman, I would like to begin by recording quickly several statements that have been made in previous testimony that I do agree with. First of all, your statement of October 14, today, I think states very fairly and persuasively the considerations justifying the availability of additional funding for the transition process.

Second, I agree with your conclusion that at least disclosure of all cash contributions would be a useful step at this stage. I would hesitate, I think, to go beyond that by way of seeking to limit the contributions in-kind of individuals or even of funds.

Third, I wholly endorse what the Comptroller General, Mr. Bowsher, has said about management leadership and about planning for the future.

In the Eizenstat testimony, I think what he said about the lack of the availability of presidential documents is an extremely important point. There must be, it seems to me, some way of addressing that problem, and it may be that the idea of a White House Secretariat which he suggests is a way of addressing it. It certainly seems to me a suggestion that deserves to be given further consideration.

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[1] See p. 229 for Mr. Read's prepared statement.

In the Bower and Norton testimony, I think their suggestion about making available detailed job descriptions for the positions that are open to the Administration to fill is a useful suggestion. I also agree with their comments on the effect of the Ethics Acts—a question you raised this morning, Mr. Chairman—and with their observations on the problems created by salary linkage between senior positions in the Executive Branch and the salaries of members of the Senate and House.

Listening to the testimony this morning, I wholly shared the view elicited in the course of Mr. Walter's testimony that 2,000 is too many presidential appointees. I would like to come back to that point in a moment, Mr. Chairman.

Beyond this indication of the points that I have agreed with in earlier testimony that could, of course, have been communicated more quickly simply by pushing six buttons, I do have five points that I would like to make in a pretty summary way, given the pressures of time.

The first has to do with continuity, memory, information or data, and experience. The second deals with the proposition that there is no such thing as management divorced from substance and there is no such thing as effective management with substance that does not address considerations of process.

Third, that, ironically, as the politicization of Government positions has tended to reduce, not increase, political leadership, we need more political leadership, less politicization. I am sorry that Senator Sasser is not here because I will in a minute seek to respond to his point. I would only add now that I totally disagree with what he said about the relationship between numbers of political appointees and the exercise of political leadership.

Fourth, the obvious point that Government is a people business. Fifth, I want to say something about the scale and significance of public service as contrasted with what people in very important positions do on what I still tend to regard as the "outside."

Returning then to each of these points, I would just like to add some supportive observations. The Comptroller General referred to information about financial management. I agree with that, but it is much too narrow a point. One of the real tragedies of the past Administration or two has been the gutting of the informational capabilities of the U.S. Government. Your Committee has addressed this problem.

It is linked to the development of foresight capability which, of course, needs to be distinguished from the capacity to predict the future. It is a matter of understanding the interrelationships among currently observable trends, development of better insight into how they interact, and the achievement thereby of greater warning time which, of course, leads to the whole emphasis that Mr. Bowsher also gave to better planning.

The very pressures on available resources, coupled with the secular diminution of the effective capacity of the United States to exert muscle in the process of fulfilling its undiminished responsibilities for leadership combine to make it important that we see farther ahead and marshal resources more effectively.

All of that, of course, has to do fundamentally with the importance of continuity, a point that will be developed further I hope soon by Mr. Read in his testimony, drawing on his extremely valuable report for the National Academy of Public Administration on strengthening the U.S./Soviet Communications Process.

Professor Ernest May and Professor Richard Neustadt of Harvard have developed the importance of historic memory and understanding, as these affect the capacity of Government. Indeed I would suggest, Mr. Chairman, that one of the reasons why Harry Truman was such an effective President could well have been that he was a student of history and that he understood the ways in which historic forces interact and the roles that individual leaders can have in relation to these forces, helping to channel them, affect their course, and influence the ways in which people perceive them.

I think it is fair even to suggest that one of the limitations of President Carter may have been that he did not have historic sense, that he was trained as an engineer and that he took too short-term an approach to the problems that came across his desk. They seemed, each one, to have a different scale or dimension, larger perhaps than they would have had if he had seen them from the perspective of greater continuity.

I think it is impossible to overemphasize the importance of continuity and that, of course, has again something to do with the matter of political leadership and politicization and the numbers of political appointees.

I would like to develop this point somewhat further, but I think I can honestly say from having served in nine Presidential appointments, going back to the Eisenhower Administration, that the notion that the career civil service are lying in wait to sabotage the President's program and substitute their own is a total myth. They are people whose lives have been dedicated to the programs of their departments and agencies, who are concerned with these on the merits, but who know that the charting of goals and the setting of courses has to be done by political leaders.

They do not do that and they do not attempt to do it. Indeed, they flounder when they are not given effective leadership. Paul Light's review of the findings of the National Academy of Public Administration report that has been referred to earlier makes, in this connection, a very telling point.

He says that, as the sheer number of appointments has grown, vacancies down the line can leave careerists directionless. What might appear to be bureaucratic sloth might actually be lack of leadership. Indeed, I think it is usually a function of lack of leadership.

I am tempted to interject one brief anecdotal reference to a time late in the Eisenhower Administration when I was seeking to develop a Republican alternative to the then pending Democratic bills for health insurance for the elderly. And I had brought together the key career people who were going to be asked to develop the analysis on which such a legislative proposal was to be based.

Nothing much happened for several weeks, and I kept prodding and inquiring until I suddenly realized that the problem was that I had not given them a clear enough sense of the political direction that I thought such a program might take. So I then took a couple of days to write a paper spelling out concretely what were the political parameters—I will not expand on them here—and then gave them that paper. And the result was, within a week or so I got back some extremely constructive and innovative approaches to trying to accomplish what I had by then made clear seemed to me the necessary political goals.

The truth is that people in the career services need to be met with respect from a point of view that takes for granted that they would not be there if they did not care about the merits of the public service in which they are engaged, and with a willingness to listen and to ask questions. I mentioned earlier that there is no such thing as management without substance. Let me just say very summarily that you do not get the respect of career people if you do not understand what they say, if you do not ask them the right questions, and if you are not listening.

Conversely, you do gain their respect, trust and support if you have demonstrated to them that you have been listening, you have understood. There is nothing they love better than a question that goes to the heart of what they consider to be the central difficulty of the problem they are discussing. They love to have you mark on the memoranda they have sent you questions in the margin that showed you read them and understood them.

This is the most important way in which to gain the support of career people, which I guess leaves me, again, in the interest of time to skip a number of things. But I do think that under the heading of Government is a people business, the word trust does need to be underscored. And part of the problem over the years is that political appointees come into office having been told somewhere that they should not trust the career services and, of course, that attitude is destructive in itself.

There is much more that could be said about this aspect of the problem, but it is, I think, a critical one in terms of what is learned by the people taking over an Administration.

The last point I think I want to try to make concerns the scale and significance of what these people are doing. They need to understand that virtually without exception they have never done anything before anywhere near as important as what they are about to do in undertaking a responsibility on behalf of the American people as a whole.

I remember a high ranking official of an Administration not long ago—in fact, he was in the State Department—who felt very frustrated by the delays that he had encountered and was thinking of quitting. Well, he had been the chief executive officer of a pretty fair sized company, maybe a billion dollars or so in sales. And I said, look, when you ran that company you could make a decision and you could count on its being carried out pretty damn quick, and if it were not, the individual responsible would either get chewed out or find himself without a job. It is true that where you are now you cannot push a button and make anything happen. If what you are seeking to accomplish has any real importance you will have to convince your colleagues here in the department, it will have to be addressed by OMB, and if it is really important, it has to go to White House staff, perhaps even to the President. It may involve other departments and agencies and thus engage the Domestic Council or the National Security Council, and even then you will have to deal with outside organizations, the Congress, the press.

Naturally enough, it is going to be hard to get results, but when you do get results you have moved a vast mass affecting millions, perhaps hundreds of millions of people. By comparison, the quicker movement of the smaller mass in your former company is insignificant.

This is something that I think needs to be communicated. Again, under this heading of scale and significance, it needs to be made clear that what an Administration seeks to do through alteration of the course or the introduction of new programs is done only at the margin in any event. If you were to take, for example, a chart addressing the whole array of Government responsibilities somehow and then take all the most ambitious aims set forth in the President-elect's campaign utterances and/or the party platform and imagine their being carried out in total, the result would be comparatively modest change in the actual business of Government as it responds to the needs of the American people.

Take, for example, the relatively new area of environmental regulation. The whole apparatus we now have began to be enacted earlier in the Nixon Administration. Before that there was nothing to speak of except a little monitoring of waste treatment in the Robert A. Taft Center for Sanitary Engineering in Cincinnati and a small waste treatment construction program.

The Reagan Administration took a look at the question of possible change but the fact is that continuity has been maintained because these are programs that obviously serve visible public interests that the public wants to have met and are willing to pay for.

When you realize, then, the extent to which the business of Government is going to have to be carried on, quite apart from those changes that you seek to make in modifying or redirecting or even eliminating particular aspects of what is now the case, it forces you to realize how much you need continuity and capability in the people who are running these programs.

One final point, Mr. Chairman, which also bears on the approach taken to people and the importance of having the highest possible quality, both in political appointees and in the career services. Our society exhibits in countless ways the impact of complexity. One way of looking at it—as good a measure as any—presupposes that the enormous number of staff people on the Hill are not wasting their time.

If one makes that assumption—and I do—then the enormous hypertrophy in Senate staffs is an indication of the extent to which the numbers of problems that need to be addressed from the perspective of the public interest has grown.

Now, once you recognize that to be true, it follows that the national Government has all it can do and more to manage reasonably well what it has now. Indeed, it probably already has too much. It follows, then, that for the Government to be able to operate efficiently it needs constantly to examine the question whether or not it ought to continue to be doing what it is doing now and whether or not any proposed new function should be superimposed.

The result is that we need to have in Government people who have the understanding and intelligence necessary to design programs in a manner that has the least possible intrusive effect and the fewest possible undesirable side effects. If, in order to minimize intrusion on freedom and private initiatives we have to keep Government within bounds and yet respond to the continuing trend toward ever increasing demands for the role of Government, we need better people than we have ever had before.

I am afraid I am expressing this a little bit too summarily. I could supply for the record a couple of paragraphs expanding on this point because I think it is absolutely crucial to the conclusion that the people who, like the recent Deputy Director of OPM, Terry Culler, think that mediocrity is good enough in Government, are totally wrong. We need better people than we have ever had before, and this, too, I think, is part of what needs to be understood by people who are picking up the reins of Government from the previous Administration.

Well, as you can see, Mr. Chairman, this is a subject on which I have a good many views.

Chairman GLENN. And very good views and we appreciate it.

Mr. RICHARDSON. I am afraid I may have fallen somewhere between being too long-winded and too summary.

Chairman GLENN. No, and we appreciate your comments very, very much and we would welcome those additional comments to be included in the record if you so desire.[1] They would be fine.

Mr. RICHARDSON. Very good.

Chairman GLENN. Mr. Read, we welcome you this morning. Mr. Benjamin Read, former Executive Secretary of State and former Under Secretary of State for Management. And I think, if I understand the office of Executive Secretary of State, in some ways that is the institutional memory of the State Department to some extent, I believe. And so you are in a particularly good position to address some of these things that we have been addressing this morning. We look forward to any remarks you have before we get to questions.

Mr. READ. Thanks very much, Mr. Chairman.

I would like before starting to compliment my friend Elliot Richardson on what I think was a really superb statement of the fundamental truths of the process that we are here to address. I will impose on a 30-year friendship just long enough to twit him by noting that the historical recollection he used did not reflect some egregious examples in the years since 1980.

I will talk, of course, exclusively about the foreign affairs field if you will permit me.

Chairman GLENN. Sure.

Mr. READ. Because that is the field that I have the most familiarity with from three tours in the State Department and some limited experience in four prior transitions.

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[1] See p. 262.

I think that the transition process is badly flawed and I think that some of those flaws can only be corrected by legislation and that others require the encouragement of this Congressional Committee, hopefully, to be addressed by others.

To a large extent today my comments reflect the recommendations and views of the National Academy of Public Administration panel which I directed earlier this year on U.S./Soviet Communications Process. It was a group with extraordinarily broad foreign affairs credentials, going back through seven Administrations and including persons who had held responsible diplomatic, political, military, civilian, intelligence positions in all of those Administrations.

The panel report, although it dealt with superpower relations exclusively, made a number of points that might be of utility to you and I will tick them off today if I may. I would urge, first and foremost, and I know I speak for everyone else on that panel—and my friend Elliot Richardson was a member of it—in urging that you broaden the time horizons of the Committee well beyond that of the Presidential Transitions Act of 1963.

An effective transition obviously requires actions to be taken well in advance of the 10 or 11 week period of transition and it will not be a smooth and effective transition otherwise.

What I would like to concentrate on today is two-fold. First, the need for better campaign and transition briefing processes in foreign affairs, and, second, improvements in the Government's institutional memory in the whole field of foreign and national security affairs. And I have some very specific suggestions which flow from the work of the Panel and to, in one or two places, reflect my own judgment.

In regard to the campaign and transition briefings I would submit that the presidential candidates and presidents-elect should be encouraged to schedule substantive foreign affairs briefings on major national issues like U.S./Soviet relations at the earliest time in the presidential election campaigns and transitions.

It is no secret that no recent President who has taken office who has had any significant prior experience in handling foreign affairs of this country. General Haig, after he left office as Secretary of State, noted in his memoirs that in this century only Eisenhower and Nixon could be argued to have had significant knowledge of world affairs. And I think that is correct. When you look back, many of them knew a great deal about foreign affairs but they had not experienced them first hand.

The experience gap of the Cabinet appointees to whom the President looks for advice in the early days is also rather striking. We found, for instance, that of the 30 persons who have served as Secretaries of State and Defense, national security affairs and CIA directors since 1960, despite their obvious individual attainments and knowledge, none have had prior official negotiating experience with the Soviets. None had studied, resided or worked in the Soviet Union. None spoke Russian with any degree of fluency.

It is not surprising. People are elected and appointed for many factors that do not relate to this specific area and yet it is a lacuna that you have to recognize when you look deeply into what is needed.

The obstacles during the campaign period for getting briefings that might be helpful are obvious. Scheduling foremost. But they go beyond that. They include the fears of brainwashing that date from Government Romney's statement of a number of years back. There is also a tradition that it is not proper to reach out and ask for information from the Executive Branch that might readily be available to them, and for the Executive Branch not to offer that information during that period.

There are also inhibitions that if you got briefed you would have some classified information that someone might charge that you had leaked in the course of the campaign itself. And for many or those reasons, I think Congressional encouragement is needed to facilitate and promote better briefing processes.

The consequences of this knowledge gap are not academic. They are severe. Fictions creep into campaigns. We are all familiar with them. Bomber gaps in 1956. Missile gaps in 1960. Windows of vulnerability. Throughout the Vietnam war, long after the Sino/Soviet bloc had ceased to exist in the form in which it was being referred to such references were made. They clouded our thinking. They badly cloud our adversaries' thinking.

We found in one of the incidents recorded in the panel report, which I would like to submit for the record,[1] that the KGB had sent out a war alert in the early days of 1981 which remained in effect until 1983 to the effect—and this was from the head of the KGB in UK who has defected—that the United States would attack the Soviet Union—reasons unstated, time unstated, but no qualifiers—and that therefore they, at the post to which this was sent, should take unusual watch precautions, report anything that looked like possible war preparatory moves.

Our reaction, of course, is how could they have been so mistaken. And yet you look at the super-heated rhetoric of the period, some of the actions that were taken that had a change in note and quality from the past and you can arrive at a fairly lengthy list of why that could have been so. And obviously it was more than a test message or it would not have remained in effect that long.

The premiums, I think, on good early briefings are enormous. When I was talking to President Carter a year or 2 ago during the preparation of the panel's report, he told me that in his judgment it had to start the moment you have a serious and declared intent to run for President. Fritz Mondale made a similar point to me quite recently, he said he would start certainly at the point at which a nominee has the commitments needed to lock up the nomination.

Everyone on the panel agreed that the briefing should begin as early as possible. It cannot be squeezed into 10 or 11 weeks of transition.

A second point: We agreed very strongly in the panel that the focus of those early briefings should be on background information—in this instance, relevant aspects of Russian and Soviet history and culture, political and economic trends, evolving Soviet perspectives on this country and on the world.

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[1] See p. 264.

Those are the things that you have to have to absorb before you take office when the operational demands become so intense. I was dismayed to hear one of the present presidential candidates say just the other day: "What's all this mystique about foreign affairs: it is just a matter of common sense."

Of course a lot of it is common sense, but he is so wrong. It needs exposure. It needs thought. It needs deliberation. It needs that background from which you can develop the ability to act soundly in the country's interest.

Third, we felt that such briefings should include not only the best private but also the best Government practitioners, as well as the principal foreign affairs advisors of the candidates and Presidents-elect. The circle tends to narrow much to quickly. Those who are available to the candidates are not always the best. There is a peculiar shyness about reaching out for some of the talent that is available. You need the broadest possible spectrum, particularly in the early developing period, of those who have acquired the experience and expert knowledge that can help you formulate your own ideas.

There are obvious advantages also of including some of the very best career professionals in that sort of a setting. It serves a dual purpose. It permits the persons who are successful in the election process to gain an acquaintance with those they will be working with. And you think how absolutely vital that advice has been in many, many different periods—Tommy Thompson in the Cuban missile period, Phil Habib more recently. There is a long list of such persons.

And I would not exclude at all some selected use of incumbent Cabinet officers. President Carter told me that the single most useful day that he had in the transition period was a private tete-a-tete with Henry Kissinger in which he invited him to come down to Plains and just the two of them went at it for 8 hours on the "tour d'horizon" of world problems. It was, he said, immeasurably helpful to him in that beginning period.

Fourth, briefing material written by agencies and transition teams for use of the President-elect should deal, more than is feasible during the campaign, with the pros and cons of political, diplomatic, economic rationale of existing policies, as well as the alternative policies that they have put forward during the campaign.

The Rogers/Vance task force talked about how campaigns and elections inevitably discount the importance of continuity and overemphasize the importance of change. It is so true when you look at the papers that are prepared. In the 1968-69 transition I had responsibility for the outgoing Administration at State to do that and it was deficient in that respect.

Fifth, the briefing papers—and this is an obvious point—should reflect any significant divisions and views within the Executive Branch and as well among the leading American and outside experts in the field. They should be written plainly with a keener awareness of the President-elects severe time constraints and the extent of his present knowledge. They should really be tailor-made and they should be written with an awareness of how he best absorbs information, and rarely is that the case.

Sixth, all briefings should contain more information than at present about the human and material resources that are available to assist the new Administration in reaching its own policy conclusions and the most important institutional strengths and weaknesses that they will be inheriting. I cannot emphasize that too strongly because I think so often we try to drown the incoming leaders with details, and what would really be most helpful to them in all cases that I am familiar with would be more knowledge about how to reach out for such help, where it is available, and what those resources are, both human and material.

And that is almost completely lacking in the books that are prepared by both the Executive Branch and the transition teams.

Seventh, and finally on the briefing point, I think that the Federal agencies and departments should be required to designate a broadly experienced officer to coordinate official responses to the candidates' requests for information and briefings. Requests come in like rain. You do not know whether one is authorized or not. It is very hard to process intelligently now. And I think in turn each candidate should be asked to designate the person or persons who would be authorized to make such requests in his behalf and receive the information supplied.

In regards to the second subject I would like to discuss, the Government's institutional memory, there are several points wich were stressed by our panel, and some specific recommendations.

First, the Presidential Records Act of 1973 and the Federal Records Act of 1950 should be amended to provide explicitly that Presidents, agency heads, and all other Executive Branch officials are responsible for making proper records of substantive contacts with representatives of foreign governments. It has to be explicit. The general language in the existing law is inadequate.

A transition is, obviously, no better than the information available that you inherit, and the United States—I think it is fair to say and the panel of the National Academy felt this way—has the worst institutional memory for national security affairs of any major power. That goes without any qualification.

The problem is three-fold. Records are not made. Records are not retrievable. When retrievable, they are not correlated with later events both public and classified.

There is simply no satisfactory excuse for this. Political sensitivities, embarrassments with bloopers made, possible misuse by later Administrations—it does not add up to a candle's worth when you think of the necessity for the succeeding Government to be able to know what has transpired with a foreign government which will use that information to its best advantage.

There were serious problems, for instance, when Cyrus Vance went to Moscow in March of 1977. Brezhnev cited an alleged commitment by Henry Kissinger made at Vladivostok or Moscow for which there was no record. It turned out to be a specious claim, but there simply was not the record there to arm Cy with the ability to respond in a timely and effective fashion.

The China records. There was not a China record of material importance in the State Department in 1977. They were in the White House. They were in the Pocantico Hills Repository and elsewhere. Not good enough. Just not good enough.

Second in this area, the Presidential Records Act should be amended to require that the original Presidential records and all substantive contacts with representatives of foreign governments be retained in the White House and assure that copies only of such records be removed to the former President's Library.

The panel felt very strongly about this. And it is not often known that those empty file drawers are what confronts the new President and his advisors when they come back from the inaugural ceremonies. They are absolutely empty. The NSC records obviously are helpful but they are rarely complete about the most sensitive and most important conversations the President may have held, and off those records have gone, by GSA truck to the new libraries or repositories.

Former Presidents, with one exception, have been very generous about granting requests for access there, but it is not enough. For instance, I cite one illustration. There is nobody in Government or out today who can tell you whether or where records of each and every Presidential conversation with Soviet leaders at the 13 postwar summits are or if they do exist. It is really an appalling fact, and it is a fact.

Third, Presidents should be urged to retain senior career experts on the NSC, for the same reasons that Mr. Richardson was advocating earlier. Bill Hyland was the single most useful person on the NSC staff in the early Carter days, for instance. He had been carried over from the Ford/Kissinger period. He had been at those earlier summits.

But in 1981 there was a total NSC staff turnover. It was not until 1983, when Jack Matlock was assigned there, that there was a single foreign service officer of senior rank in that group. Now, that is simply pathetic. You cannot have continuity of memory with that sort of a situation.

Finally, we have suggested some amendments to the Freedom of Information Act which is so often cited by officials as the reason for not making records and by foreigners for not giving us confidences that they otherwise might be disposed to make. It is largely a perceptual problem, but the problem is a real one, and I think the amendments we have suggested while quite modest in nature, would help remedy the problem.

And finally we have put together—and it is in my formal statement—suggestions about several administrative actions that we would hope you might be encouraged to look into and endorse.

Chairman GLENN. Thank you. Does the NAPA report make some specific legislative proposals?

Mr. READ. It does. Those are contained both in my statement as well as more fully in the report, with the examples cited and many others.[1]

Chairman GLENN. Good.

Mr. READ. My apologies for crowding your lunch hour somewhat.

Chairman GLENN. The testimony of both of you gentlemen this morning is very compelling in this area of the need for continuity and I think in some ways our whole constitutional system goes even beyond just this need for continuity. Because our system of Government and our establishment of foreign policy is, even in good times, not easy to understand by other nations around the world. While they may be accustomed to dealing with democracies, they are accustomed to dealing with parliamentary systems, not our constitutional system.

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[1] See the report on p. 264.

I have run into this time after time: Why cannot your President speak with authority in a certain area?

Our President, unfortunately, under our constitutional system—or fortunately, depending on how you look at it—does not really speak with the same authority as the average prime minister around the world, because a prime minister goes some place, makes a commitment. He comes home. He is either backed up by his party, which is the Government, or he is turned out of office on a vote of "no confidence" and so it is resolved very rapidly.

Under our system a President goes and makes what other nations thinks may be a commitment and he comes home and it has to be approved and backed up and under our system of checks and balances may be debated for years even before there is a very clear mandate to carry that out or shoot it down, one way or the other. And then that is just the broader picture for the situation where we do not even have the continuity—as you gentlemen both address—do not have the continuity then to back up even what we finally decide is our long-term policy, maybe after years of presidential and congressional negotiation back and forth, or a push and tug, trying to decide what our policy really is.

So the lack of continuity that you both address very properly adds to that whole thing, adds to the difficulty, even, that is introduced in the first place by our whole constitutional system.

So that is an even broader picture, and you said that you felt that we should go on beyond our—broaden the mandate or broaden the period that we are addressing here, not just to the transition but the broader period of difficulty in having continuity and getting good people in the Government, and I share that view with you very much.

Gentlemen, it is late and I do not want to get into a long series of questions here. I might address just a couple of them here and then we might submit questions to you so we could have your replies for the record, if you would.

But one, the idea of a Presidential Secretariat. Do you both back that? Secretary Richardson, do you?

Mr. RICHARDSON. It sounds like a good idea to me, Mr. Chairman. I have not given it a lot of thought. I had not really seen the suggestion until I read Mr. Eizenstat's testimony. But I think it would fill a number of the needs for continuity that have been touched on.

Other Governments, of course, do have a similar kind of continuity deriving simply from the fact that it is taken for granted that the staff serving the prime minister will continue. In the case of Ms. Thatcher, for example, her principal Private Secretary, equivalent of Chief of Staff, was inherited from her predecessor, Mr. Callaghan.

But we will not go that far. I think that the idea of a nucleus charged with the kind of function that Mr. Eizenstat suggests sounds to me like a constructive suggestion and certainly deserves to be thought through carefully.

Mr. READ. I would point out that there is an Executive Secretariat in the NSC which possibly, with broadened jurisdiction and more continuity of personnel between administrations, could perform the functions that he envisualized.

Chairman GLENN. But what we would be talking about would be on a much broader basis on domestic policy as well as foreign policy and so on. It would be a much broader basis.

Let me ask one other question about the party involvement in this. Do you think the national parties have a role to play in this? And if so, what? And how can that be exercised? Can they be a repository or a continuity or are they an appendix over here on the side that is sort of ineffectual and should remain so in this process of continuity? Either one of you.

Mr. RICHARDSON. My instinct, Mr. Chairman, is to think that they should be involved. I think they will tend to resist it on the theory that problems of Executive Branch policy belong to the candidate or the President-elect. But I think that this view diminishes too much the role of the party in dealing with substantive issues of policy. Politics is fundamentally a matter of choice among competing claims, and I do not think the party should be divorced from it.

I think that there can be brought to bear a focus that would help to point up what it is really important to have made the subject of careful examination in the transition process.

Mr. READ. I guess I am a little more skeptical, if we are talking about the national committees, because they provide such skeletal frameworks frequently that I do not know what you would find there that could be built on logically. But I may be wrong.

Chairman GLENN. I would like to see them play a bigger role but I am not sure they can. They are concentrating too much on the next election, raising funds, specific candidates, nurturing them along, trying to bring an election to fruition, for better or for worse, the next time around and I am afraid they do not too often take the longer-term view that perhaps that they could. So I am not too sure that they would be the best repository for some of this or be the continuity that you would like to see.

Mr. RICHARDSON. It might shock them into taking their responsibilities more seriously.

Chairman GLENN. That might well be the case.

We have talked about on the Committee here different ideas for involving the Committees more in this transition process—to come back to where we started this—in the specific process itself, as to the logistics of it, as to keeping of files of people and how the process went the last time around and making that institutional memory, or maybe making both Committees a member of some group that would be a permanent transition planning office.

Now, how you keep that alive and operating and operable over a 4, or occasionally an 8-year period in our Government and make it a meaningful office that really does something other than just another one that is on somebody's letterhead is a difficult situation.

But we have looked at it that way, and we are going to have testimony from Mr. Kirk and Mr. Fahrenkopf one of these days and we want to get into some of that with them as to what role they play, not only in just the specific 70 or 80 day period during an actual transition, but what their role might be on the longer basis that you are addressing here this morning.

Gentlemen, I appreciate very much your being here this morning. We will have some other questions for you. We would appreciate your response. And I do appreciate your willingness to stick with us here this morning. It has been a long hearing and it was good of you to give us your time.

We appreciate your being here. Thank you very, very much.

The hearing will stand in recess subject to the call of the Chairman.

[Whereupon, at 1:12 p.m., the Committee adjourned subject to the call of the Chair.]

PRESIDENTIAL TRANSITION EFFECTIVENESS ACT

WEDNESDAY, FEBRUARY 17, 1988

U.S. Senate,
Committee on Governmental Affairs,
Washington, DC.

The Committee met, pursuant to notice, at 10:10 a.m., in room SD-342, Dirksen Senate Office Building, Hon. John Glenn (Chairman of the Committee) presiding.

Present: Senators Glenn, Roth, Stevens, and Heinz.

COPENING STATEMENT OF CHAIRMAN GLENN

Chairman Glenn. The hearing will be in order.

Today the Committee continues its work on improving presidential transitions. We know in this election cycle, of course, that a transition is coming. Whatever the outcome of the elections are there will be a transition and we want to make sure that that transition is done right and properly.

The Committee began its work on this with two hearings last fall and continues today with hearings on S. 2037, the "Presidential Transition Effectiveness Act." I am pleased to report that the bill is cosponsored by Senators Stevens and Chiles. The bill does reflect a bipartisan effort to solve serious problems in the funding of our transition process.

Now, why do we need this bill? Well, if we look back, the Committee's research shows that there is little doubt that private money has grown increasingly important to presidential transitions. The problem is, there are no regulations covering private funding for presidential transitions, whether during the pre-election period or following the General Election.

The FEC, the Federal Election Commission, and the Campaign Act regulations require a very close accounting, to-the-penny type accounting of every penny of private contributions for elections but there is no regulations requiring even the slightest disclosure on private money once the election has occurred and once we get into that transition period.

In other words, we go through all the accounting and then we reach election day and then all bets are off. If somebody wants to come in and plunk down a million dollars, say, to help cover costs during a transition period, with whatever favoritism that might imply later on, there is no law against that at all. So it seems to me this is a loophole that definitely needs to be covered.

This was addressed to some extent back in 1963 in the law that was passed then, the Presidential Transition Act, and at that time there was some $450,000 provided for transition. That was upped later on to about $2 million in 1967, and that money now would be worth about $1.2 today. So that is what we are trying to address.

The first problem is the failure of the public transition funding to keep pace with inflation. The $2 million that Jimmy Carter received in 1976 under the Presidential Transition Act is now worth $1.2 million. The President-elect should not have to hire a fundraiser as the first act of the transition.

At a minimum, therefore, it is time to adjust our public funding upward, just to cover inflation if nothing else. Under S. 2037 the public allotment would increase to $3,500,000, while adding an automatic inflator to cover future cost increases in presidential transition expenses. As a result, it should be easier for Presidents-elect to conduct an effective post-election transition. It is important to note that there will continue to be a full accounting for these funds through post-election audit by the General Accounting Office.

In addressing the funding issue, we also took note of the near-unanimous agreement among Carter and Reagan transition officials that a President-elect must undertake at least some advanced planning during the General Election campaign. A President-elect cannot wait until the morning after the election to start planning for the transition.

Such pre-election transition planning should be seen as a legitimate cost of presidential transitions. Because current Federal election regulations do not allow presidential candidates to use any of their public campaign funds for transition planning, S. 2037 provides for reimbursement of up to $200,000 in qualified transition planning expenses which occur during the post-convention/pre-general-election period. It is a very small amount of money but could improve our transitions dramatically; a little bit of planning money.

Under S. 2037, the national party committees have first crack at the planning activity. Though the parties can delegate these responsibilities to their presidential nominee, I believe the national parties are the logical place for this kind of first-run transition planning activity. Such planning would both strengthen the governing process and would create a stronger institutional memory on transitions.

It is important to note that this legislation does not provide an outright cash grant to the parties or their designees. Rather, it provides only for reimbursement of specific transition expenses, subject to the approval of the Administrator of General Services. This reimbursement mechanism guards against the use of any pre-election transition funds for electioneering.

The second issue S. 2037 addresses is the need for disclosure of private money contributions for pre-election and post-election transition activities and the need for public disclosure of basic information on the President-elect's Federal agency transition teams.

This Committee's research shows that there is little doubt that private money has grown increasingly important to presidential transitions. The problem is that there are no regulations covering private funding for presidential transitions, whether during the pre-election period or following the general election. Whereas the Federal Election Campaign Act regulations require a close accounting of every penny of private contributions for electioneering, there is no regulation requiring even the slightest disclosure on private money for transitioning.

I believe that this loophole in our campaign financing regulation must be closed. At a minimum, Presidents-elect and their parties should disclose the sources, amounts and expenditures associated with all private money contributions for both pre-election transition planning and the post-election transition itself.

I do not believe the disclosure constitutes an unacceptable burden on either the national party committees or the President-elect. Given the potential for hidden conflicts of interest under our current arrangement, I believe the benefits clearly outweigh the costs.

As a whole, S. 2037 will help ensure the smooth transfer of power originally intended in the 1963 Presidential Transition Act. By providing adequate resources for the post-election transition and by defining pre-election transition planning as a legitimate activity, S. 2037 will make it easier for the incoming administration to succeed. And by placing limited disclosure requirements on private cash, S. 2037 will remove whatever lingering doubts may exist regarding the efficacy of our campaign financing disclosure.

Senator Roth?

OPENING STATEMENT OF SENATOR ROTH

Senator ROTH. Thank you, Mr. Chairman.

First, I would like to welcome both our distinguished chairmen for being here today and at the same time apologize that I have another meeting so that I am unable to stay. My reason for regretting not being able to continue is I wanted to ask you some questions about the election yesterday in New Hampshire. There is nothing like getting the observations from the horse's mouth, so to speak.

But I do also want to express my appreciation to you, Mr. Chairman, and congratulate you for this legislation in which you and your staff have in an extremely careful way proceeded to approach this subject in developing the legislation before this Committee.

I think it is obvious to all of us of the need for a smooth transition from one presidency to the next, and as I said, we are delighted to have these witnesses and I know what they have to say will be helpful as this legislation proceeds.

Thank you, Mr. Chairman.

Chairman GLENN. Thank you very much.

Senator Stevens, who is cosponsor of the legislation.

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. Mr. Chairman, I am pleased to have been able to join you as a cosponsor of this series of amendments to the Presidential Transition Act. I want to join Senator Roth in commending you for your approach and particularly for the time you and your staff—particularly Paul Light—have spent on this legislation.

It is very important, I think, for us to sort of clear the decks before this election process really commences through its convention process this year. These suggestions that now represent the product of your efforts and the hearings which you have held—and I have been pleased to participate in—I think are good suggestions.

I am delighted to see the chairmen of our two national committees here and I hope that we can get a quorum quickly, report this bill out soon, and have it pass. In my judgment it should be a noncontroversial issue. We are trying to improve the process of presidential transition and it is a very timely subject.

Unfortunately, I have to join Senator Roth in telling you I have been called down to the White House for a bipartisan meeting and I must go there. I am sorry that I cannot stay and listen to our two good friends and I want to apologize to you, too, for having to leave, but those things happen.

Thank you very much, Mr. Chairman, and thank you for allowing me to join you so that this can be a bipartisan effort with you and Senator Chiles.

Chairman **Glenn**. I appreciate your comments and I appreciate your support, both of you, in this regard. I think it is important and you can tell them at the White House that we are trying to make the next transition a good one, whoever. [Laughter.]

Our first witnesses this morning, the first panel, is the Honorable Paul Kirk, Chairman, Democratic National Committee, and the Honorable Frank Fahrenkopf, Jr., Chairman of the Republican National Committee.

I cannot think of two people that could better advise us on what they think of this. They see the transition process from up close. They have observed it for many years and will be involved in one way or another come next November, and so we look forward to your testimony.

Mr. Kirk, would you lead off for us, please?

TESTIMONY OF PAUL KIRK, CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE

Mr. **Kirk**. Thank you very much, Senator, and thank you and the members of the Committee for providing me an opportunity to testify on S. 2037. I initially want to commend you for your leadership in taking the steps necessary to put us on the path for effective transition.

I also want to say that though my counterpart, Chairman Fahrenkopf and I enjoy the spirit of political combat these days, that there are several things on which we agree in terms of what the public interest is. We serve together as co-chairs on a Commission on Voter Participation. We serve as co-chairs of the Commission on Presidential Debates to the political parties to sponsor those and to educate and inform the American people about the distinctions and differences between the two parties.

And I think it speaks well, as you have said, and the other Senators, that we are here today in another spirit of the public interest. I myself am pleased to testify in support of S. 2037, the proposed Presidential Transition Effectiveness Act.

This legislation would improve the presidential transition process in three significant ways. It would increase the public funding for post-election transition activity for the first time in 12 years and provide for future adjustments for inflation. It would require full public disclosure of the sources and disposition of all private funds collected for transition activities. And it would provide limited public funding for the process of pre-election transition planning and make the national political party committees responsible for that activity.

Mr. Chairman, in enacting the Presidential Transition Act of 1963, Congress recognized that an orderly and efficient transition is not merely a convenience to the President-elect; it is critical to the country's national security and economic well-being. In that law Congress established that the presidential transition is a public function and should be publicly funded.

The original act authorized a maximum of $900,000 for transition expenses. That ceiling was increased to $2 million in 1976. It has not been increased at all in the last 12 years. While the value of the ceiling has been seriously eroded by inflation, the scope and complexity of activity required for an efficient transition has increased significantly over the years.

On November 9th of this year the President-elect will have to begin the process of selecting the most qualified individuals for more than 3,000 executive appointments, including about 200 top-level positions. Under current budget procedures, he will have less than 3 months to prepare and submit his first budget for the entire Federal Government.

That budget will reflect the President-elect's first major decisions about fiscal policy. The world's leaders will begin immediately to look to the President-elect to set the direction for foreign policy. The world's financial markets will immediately look to him to set the direction of his economic policies. There will be no time to lose.

The Congress of 1963 believed it important to avoid, in the words of the Act's preamble, "any disruption occasioned by the transfer of the Executive power."

Even in this time of budget austerity, the President-elect and his team should be given the resources to get the job done without disruption. After 12 years it is time to increase the public funding for this transition.

As you pointed out, Mr. Chairman, the new $3.5 million ceiling proposed in S. 2037 will not even fully compensate for the impact of inflation since 1976. But it will go a long way towards bringing funding in line with current needs. Indexing this level for inflation will help to minimize the need for ever-increasing use of private funds in the future.

The second important reform this bill would accomplish is to require full public disclosure of the sources and uses of all private money collected for transition activity, both before and after the General Election. The collection of unlimited and undisclosed private donations by a presidential campaign or national party to affect the General Election campaign gave rise to disclosure requirements under the Federal Election Campaign Act. Yet, to the extent such funds are collected for transition planning, there is no requirement under that Act or any other law for disclosure of any information whatsoever about these funds.

After the election, the potential for the appearance or reality of undue influence through private contributions while key appointments are being made is perhaps even greater than the potential which may exist during an election. Yet, again, under current law the President-elect's transition operation can collect unlimited amounts of private funds with no disclosure of where those funds come from or how they are spent.

S. 2037 will address this problem by requiring full reporting to the administrator of GSA, by both the national party committees and the President-elect, of private donations collected by transition activity.

The third significant reform this bill would accomplish is to provide limited public funding to the national political parties for pre-election transition planning. Again, the task awaiting the President-elect on November 9 will be an enormous one. He and his staff should not have to waste valuable time at that point with the details and finances of setting up the transition operations. These details include contacting GSA about office space and other facilities to be furnished under the Act; structuring of a personnel selection process; and working out the other logistics of the transition operation.

It is essential to start this planning during the General Election campaign, as both President Carter and President Reagan recognized. In 1976, transition planning by the Carter campaign took place throughout the period after the national convention and prior to the General Election, and private funds were raised for that purpose.

Again, in 1980, transition planning began after the Republican National Convention, including the creation of some 23 issue task forces. A "Presidential Transition Trust" was established by the Reagan campaign a month before the General Election for the purpose of collecting private funds for use in pre- and post-election transition activity.

Pre-election transition activity could continue to be funded exclusively through private donations collected for that purpose by the national parties and the campaigns. But it is far better policy to provide a limited amount of public funding, as S. 2037 would do. Pre-election transition planning is the beginning of the transition process; it is undertaken for the benefit of the Government and the people and should be publicly funded.

S. 2037 would provide the pre-election transition funding to the national party committees. We strongly support that provision and understand that the responsibilities which would be assigned to us are administrative and logistical. It does not make sense that every 4 or 8 years presidential campaigns must start from scratch, must reinvent the wheel, to figure out how to plan for and set up a transition operation. The national party committees can and should become repositories for this kind of information and know-how. In the long run, this use of the parties will save valuable time and resources.

Second, we have the capability to do the job. As you have pointed out, Mr. Chairman, organizing the national conventions demands a tremendous amount of operational expertise and we can certainly make good use of that expertise in undertaking the kind of pre-election transition planning contemplated by your bill.

Finally, conferring this responsibility on the national parties would help to strengthen them as institutions, and that in itself is a good thing. I believe that strong national parties are the best antidote to the kind of special-interest and narrowly focused politics that has infected our political system in recent years.

One of my priorities as National Chairman has been to build closer ties between the Party and Democratic elected officials at all levels. This bill will contribute in some measure to accomplishing that aim with respect to the highest office in the land.

Mr. Chairman, again I commend you and the other sponsors of S. 2037 for taking the initiative in proposing these much-needed reforms in the presidential transition process. All Americans have a stake in enabling the next President to begin without delay to tackle the critical problems facing us.

This proposal will help to achieve that goal in a direct and meaningful way. I urge the members of your Committee to support it and I hope the Congress will enact it during this session.

Thank you very much again, Mr. Chairman, for hearing my testimony today and I will be happy to answer any questions at the appropriate time.

Chairman **Glenn**. Thank you very much, Mr. Kirk. We will hear now from Frank Fahrenkopf, Chairman, Republican National Committee, and then I do have a couple of questions for both of you.

TESTIMONY OF FRANK FAHRENKOPF, JR., CHAIRMAN, REPUBLICAN NATIONAL COMMITTEE

Mr. **Fahrenkopf**. Thank you, Mr. Chairman. I come here this morning, along with my colleague, Paul Kirk, to endorse wholeheartedly the passage of this proposal cosponsored by members of both political parties.

Mr. Chairman, millions of dollars of both private and public funds are used in the process of choosing the President of the United States. Although this is a costly process, I believe it is money well spent. Since we live in a large, diverse and trans-continental nation, large sums are required to enable the campaign process, the candidates to reach out to the American public and discuss the issues of importance throughout our country.

Politics and running for office involves communication. Most of the funds raised and spent by presidential candidates is involved in communication. The cost of television, radio, newspaper, magazine advertising, as well as the preparation of campaign materials and the mailing of those materials have in fact risen dramatically over the last decade.

But a comparison of the many millions properly spent in the process of choosing our new president and the rather modest sums used to facilitate the transition to power of the new administration argue, in my view, for a prudent increase in public funding. The increase in the Federally appropriated funds provided for in this bill is probably less than would be warranted simply by adjusting the present figure for the consumer price index since its initial enactment. But I think, in light of the present budgetary constraints that Government is under, it is an appropriately restrained increase.

This legislation proposes the national political party committees as the agent for the expenditure of these funds. I believe there are two principal reasons commending this approach: efficiency and institutional memory. The national party committees, in my view, would be efficient agents of the President-elect for the transition process.

Each national party committee has presently existing infrastructure which can be converted immediately to the use of the transition team. The party committees have existing clerical staffs, bookkeeping systems, computer and word processing facilities, as well as office space.

It would facilitate, in my view, the transition team's efforts for its activities to be directed at planning for the new administration and its staffing, rather than being concerned, as Chairman Kirk pointed out, with the installation of telephone lines, typewriters and seeking clerical support.

The use of the national party committees would also permit the perpetuation or institutionalizing of the transition process without—and I want to repeat that word—without creating a governmental bureaucracy or organization which might have interest distinct from the elected candidate.

No one can seriously doubt that the President-elect would have absolute control over any transition process conducted by the national party committees, although one wag mentioned to me this morning, if Mr. Mondale had won the last election whether he really would have felt comfortable with Mr. Manatt in charge of the transition process. But I doubt that.

As continuing organizations, the two national party committees possess institutional memories which would benefit future administrations and reinforce their traditional role of providing personnel and support for the candidates. It strengthens party institutions to the benefit of our two-party political system, which I think everyone agrees is in the best interest of our citizens. And I know that, as Chairman Kirk as pointed out, it is something that we have worked together very hard on over the last few years.

The bill additionally provides for the disclosure of any private funds raised for the transitional effort. The Republican National Committee today discloses the sources of all funds raised for its political activities, even those raised for state candidates which need not be reported and which are not required today under Federal law.

We at the Republican National Committee have the facilities, the accounting procedures and experience personnel to easily provide for such disclosures. This disclosure, I think, would be compatible with the Republican National Committee's traditional openness in the financing of political campaigns.

Now, a section of the legislation, Mr. Chairman, regards disclosure of individuals involved in the transition effort. Historically and wisely, incoming administrations of both parties have reached out into the private sector to seek expert volunteer assistance. I think this is an area where we must be particularly concerned, Mr.

Chairman, that no unreasonable daunting disclosure requirements be placed upon those individuals who generously volunteer their services for this activity.

A procedure, for example, which would require very detailed and intrusive invasions into an individual's personal and family finances would undoubtedly chill the participation of may of these talented individuals who are volunteering their effort to the transition. I believe, however, that this bill seems to strike a reasonable balance between the public's right to know the individuals who are involved in the transition process and those volunteer participants' reasonable right to privacy.

Mr. Chairman, I hope and expect that if this bill is enacted into law, that the Republican National Committee will have an opportunity in 1988 to facilitate the transition process for the next president of the United States. However, if a mistake should be made and a Democrat be elected, I am sure that the Democratic National Committee and Mr. Kirk could serve the transition process for a new Democratic administration just as well.

I thank you very much.

Chairman **Glenn**. Thank you very much. The Committee takes no particular position, obviously, on your last remark but I do not think it would be an unmitigated disaster if the second alternative would happen to occur. [Laughter.]

We spent a lot of time on this. I do appreciate very much your statements of support on this. We do need bipartisan support, as Senator Stevens said, and we felt this was the year to do it, if ever it was to be done, because there will be a transition of one kind or another.

We spent a lot of time looking at this and, do you think that raising the amount of public support from 2 to 3.5 will be enough? I would point out that if we just kept up with inflation we are about $500,000 too low with that $3.5 million.

Is this enough to do the job without going out and having to raise excessive money? Either one of you. I would like both of your comments.

Mr. **Kirk**. Well, unhappily Senator, I have not had the experience of having to oversee or plan a transition but we are looking forward to it. And it is hard to be able to say in the absolute that it will not be enough. I do think, obviously, it is a step in the right direction and, in fact, if it does not quite match inflation, that is the margin, perhaps, that you would want to look at.

But I think, as I mentioned in my testimony, and Chairman Fahrenkopf did, every element of public spending is under scrutiny given the budget constraints that the Government is operating under at this time and I can only say, without being able to say as an absolute certainty, it is a step in the right direction. I would not be able to really say definitively that it would not be enough.

But I think the fact that built into this bill is the institutionalization, there will be an opportunity under any circumstances and under either party to measure after 1988 whether indeed this is adequate or whether there should be some increased funding in the pre-planning side.

Mr. **Fahrenkopf**. I agree with Chairman Kirk wholeheartedly. I think we are in the situation with budgetary restraints where it is just not realistic to think that more funding would really be in order from the public treasury. But I think the requirement in the bill that any private funds that are raised be fully disclosed would prevent any abuse.

I think Paul's point that after we go through the 1988 transition, whichever party is successful and is actually the implementor, I think we are going to be in a much better situation in this Committee, certainly, to judge what is an adequate amount of money in future transitions.

Chairman **Glenn**. Let me say, in making this judgment we tried to get some good figures on this. Of course, there have been reporting requirements on the Government-furnished money so far, but I would say this, the last two transitions, both Carter and Reagan, we were unable to come up with figures, unable to get the records, which made me even more suspicious of what may or may not have been going on, bipartisan.

We were unable to get estimates or exact figures—even estimates—on how much private funding was raised, how it was spent, what it went for, was it legit, was it not, did it all go for limos at the coronation time or whatever? And we really were unable to come up with figures so we are flying a little bit in the blind on this $3.5 million.

I wish I could say that I think this will cover the whole thing. I doubt that it will. I hope it certainly covers the most of it, but this time around, if this bill passes, at least we will have some track record then this time around with full disclosure of private and public funding, of course, on which to maybe adjust this later on if adjustments are necessary.

But this was very disconcerting that we could not get estimates of the last two transition periods so we could make a better estimate on this.

Mr. **Kirk**. If I may, Senator, I think that is one of the laudable features of the bill, that you will be able to provide a unique and important yardstick for the future and the fact that disclosure is an element of the legislation will be very, very important in not only measuring the public standards but the funding that is needed as well.

Chairman **Glenn**. I would also like to address this disclosure of private cash during the pre-election and post-election period.

Do you see any loopholes here we should be covering so far? Do you think the legislation adequately covers this? Do you think our bill will cover all the private cash that might be a problem? We do not want to miss anything here.

Either one of you.

Mr. **Kirk**. The only element that I believe is not covered in the legislation would be in-kind contributions and I do not know that that in and of itself would be a problem but I think it is something at least to keep in mind in terms of the kinds of things that might be necessary for effective transition planning, and then, again, perhaps either by some measure, keeping track of those during the 1988 transition period to 1989. It may be something that Congress might want to look at down the road.

But I do not know of any reason why that would be a large loophole. It is just one item that you might want to keep in mind.

Chairman **Glenn**. Frank mentioned that tangentially a moment ago in his statement, that—in-kind services is what he was referring to, I believe—and that we do not want to make it so difficult for in-kind services that we cut out a lot of people that might be valuable during a transition period.

Mr. **Fahrenkopf**. Well, I do not think, unless I am wrong, we are talking about in-kind services by individuals volunteering and donating their time as much as, for example, and I just pick it out of the air, someone donating all the vehicles to be used by the transition team. That sort of in-kind.

I just took a quick look here at the legislation and I do not think that is included within it.

Mr. **Kirk**. Frank mentioned, happily, that the committees now have computer hardware and programs and so forth, but that is another example, or donation of a building that people could use, that maybe have a significant financial impact but at least it is something that might at least be kept in mind. I do not see it as a large loophole, but as long as you mentioned that, Senator, I think it is one thing you might keep in mind down the road.

Chairman **Glenn**. It may be one we want to look at because there are certain expenses peculiar to a transition period, such as limousines, vehicles. That could wind up with several hundred thousand dollars.

Mr. **Fahrenkopf**. Well, even more, Senator—excuse me—air fare, for example, with people flying back and forth across the country, volunteers who are coming in. Knowing airlines, I doubt very much that they are going to donate this service, but I mean, that is a perfect example of where in fact an adjustment might be made on tickets for people involved in the transition. That is not disclosed, as I understand the act.

Chairman **Glenn**. Okay. That may be one we want to look at a little bit.

Pre-election planning, this has been strongly recommended by past transition staffs. Is $200,000 enough to do the right job on transition planning?

Mr. **Fahrenkopf**. Again, this election cycle, if the bill passes, will be a test of that. My own view is it probably is, because as I indicated in my opening statement, we already have the infrastructure in place by way of computers, by way of clerical staff, by way of accountants and so forth, so that it is not so much a question of having to go out and acquire some of the hardware and things that would be required.

Again, I guess the proof is in the pudding and we will have to look at it, if the legislation passes, after this transition.

Mr. **Kirk**. I have no real difference of opinion on that, Senator. I think, particularly the first time out now, the largest component may well be some thoughtful staffing and personnel planning, rather than major acquisitions. If I am wrong on that, just as Frank says, this will be a good yardstick and hopefully we can make whatever corrective changes are necessary.

Chairman **Glenn**. We had a little discussion, too, about the fact that we give $200,000. Obviously, one of those $200,000 amounts is not going to be used for transition planning, it is going to be wasted.

Now, I would hope that if this goes through, which I hope it will, that we are able, perhaps, to use a good chunk of that $200,000 to set up something that would be sort of an institutional memory so that there is a continuity within both parties of what is required in transition planning and that there are files kept and that there are records kept on exactly how it was done and what may occur 4 years or 8 years down the road for the parties would be part of the planning done with these transition funds.

I know there will be a tendency to blow the whole thing right now on this election, and I understand that, but I would hope that when you are setting these things up in both parties, that you do it with a view toward making the party sort of the institutional memory here. I think that is important.

That is one thing we have not had. Each new administration comes in, it is a brand new experience, transition planning, and they try and grab somebody from an old transition staff some place to be the lead dog and that is sort of the way we operate and that is a pretty inefficient way to put a Government together. So I hope you could use this for some of the institutional memory and the planning long-term, also.

Mr. KIRK. Well, I think the spirit of this, the fact that Frank and I are here this morning, would be a statement about this, Senator, that it really is an interest of a bipartisan nature and that, as you indicate, only one party will actually have to go through the transition. But given my working relationship with Frank, not that we will be in this position forever, but I am sure in 1988 that he will get the funding, do some planning, and whatever ideas he might have had he will turn over to me as we go ahead and put the Democratic administration together. So we are off to a good start, anyway.

Chairman GLENN. The whole objective of this whole thing is to make a transition in which we get good people into those 3,000 or so spots that you mentioned, the 200 or so critical ones that will be the leadership of Government. I know that this bill is not expected to address all of those problems of getting good people into Government, but that is part of the transition process.

Do you have any thoughts as to how we get better people in the Government? That is a softball for you, I guess, but it is one that is so important. In each one of the transitions we have witnessed in the last 20 years or so there is always a great big flubbing around, a giant turmoil and chaos in Washington, and the corresponding turmoil and how foreign Governments look at us as we go through our transition period and try and winnow this out.

We have some of the top-level people not being appointed maybe up into March or April, or even later than that, of the following year. Is there anything that could be done with any of this advanced planning to really get some good people lined up? Is this difficult because you are all involved in an election campaign and that is here and now and not long-term, and you are going to be involved that way?

But somebody should be doing a little bit of thinking about how we get better people into Government, and that is the purpose of the whole transition.

Mr. **Kirk**. Senator, if I might say that although this particular legislation in the large scheme of things may be viewed as a small step, I think in some ways it moves in that direction. Unhappily, we live at a time when there is an enormous amount of cynicism about Government, politics and public life.

You and the members of the Committee have given up enormous other opportunities to serve this country and yet we, Frank and I, are working and we watch the most advanced democracy in the world have close to the lowest turnout in terms of voter participation.

I mean, I basically got involved myself because it was at a time when, during President Kennedy's administration, people felt good about public service and public life. And now, whether it is because of the money involved or whatever, there is sort of a cynicism about it. I think the most important challenge is to try to get around the curve, and I think the fact that just having an open process, opening procedures, making sure that the disclosure here in this element is a very important step in that direction.

I think about 3 weeks or so ago there was an op-ed piece by James Reston in the New York Times suggesting that the political parties—and this would go far beyond the scope of this bill—begin to think through the kinds of people and talent and enlightened leadership of people who might be called on, and putting task forces together on the different issues and so forth.

As I understand it, under this particular legislation it really would not be embraced and that would fall to the presidential campaign itself.

There are other areas. I think the 20th Century Fund and a couple of other groups have undertaken some thoughtful work about how to elicit and recruit people for important positions in public life. But I think most of all, and I commend my counterpart and colleague and others who have tried to, despite the wave of cynicism, whether it is brought about through the media or whomever, do make people really feel that Government is not so much the problem, that it can be a solution and that if people will pitch in and participate, the sense of patriotism in public service, particularly the young people, that I think all of us share that responsibility and see it as a problem. I think we have to keep thinking about that as we go through this election and beyond.

Mr. **Fahrenkopf**. I agree with what Paul has said. I am not sure that the solution is an easy one, Mr. Chairman. I think perhaps it goes very deep into our psyche as a society and as a nation and perhaps we must again begin at the very beginning, in school, with an education process that makes clear that public service is a worthy and honorable way to live your life.

It is going to, I think, be a long process to get back to where we were some few years ago. I know that Paul probably shares the same discomfort that I do very often in attempting to get young, talented and bright men and women to seek political office and their response very often is, well, I do not want to do that to my family; I do not want to put my family through the wringer, whether it is the national press or just the pull and tug that is involved in politics today.

But that is a long-term problem that I think we have to solve in our society as Paul and I work on numerous endeavors, hoping to instill in Americans the feeling that along with their rights as citizens there are certain responsibilities as citizens, number one being participating in the process by voting. Perhaps we can expand that also to public service.

I do think, however, that this bill makes a very valuable contribution along that path. As you said, Mr. Chairman, in your opening remarks, too often the first thing that an incoming president has to do is worry who his finance chairman is going to be to raise the money in order to put in place the mechanism to attract, invite talented men and women to participate in the governmental process.

So if this piece of legislation is able to take that requirement away from the incoming president so that there is in place an implementation process whereby all he or she must do is concentrate on attracting these bright men and women to Government service, I think it goes a lot farther than perhaps it might seem just on the surface.

Chairman **GLENN**. I am never going to call for reduced ethics in Government, but have we out ethics ourselves in some respects in that we make it less attractive to come in to public service? The reason I ask that question is I am concerned about not only the young and the talented and the bright that you referred to starting out; I am also concerned about the experienced, the rich and the somebody that the industrialists, the labor leaders, the bankers, the somebody of the country who maybe would like to be in Government service and would do an exemplary job and yet they do not want to go through some of the difficulties of all the examination and laying everything out for public scrutiny and misinterpretation by press or whatever.

Have we outdone ourselves in some of these fields?

Mr. **KIRK**. I do not know that we can out-ethics ourselves. I think it is, obviously, an exacting and an exhausting process for a lot of people who have succeeded along the way. But I do think in many instances it is the fact that some of these things are overdramatized and over-sensationalized by the press. I think that has been perhaps a deterrence for a lot of people.

Obviously, the press have an obligation to report and so forth, but too often I think there is a twist of cynicism applied to some of these things that may, for the kinds of people that you have talked about, may just be enough of a deterrent to say, I do not need that.

So I do not think standards can really be too high in terms of if, on the one hand we are going to attract people like the folks who are behind you on staff who are working, not getting the headlines but doing the hard work and putting in their dues. But we want to keep a high standard and I think that in itself is helpful and the people want to feel good about people who are in public service.

But I think there is a line. I think the line is more drawn about how much it is sensationalized by the press than how high the standard is in terms of public life.

Chairman **GLENN**. Well, we have departed a little bit from the specifics of this bill but it all fits the same pattern. We are trying to make a smooth transition and get better people in Government.

Thank you, gentlemen. I appreciate it.

Mr. **Kirk**. Thank you, Senator.

Mr. **Fahrenkopf**. Thank you very much.

Chairman **Glenn**. Our next witness is the Honorable James Miller, Director, Office of Management and Budget.

Welcome to our hearing and we would be glad to have any statement you wish to make.

TESTIMONY OF JAMES C. MILLER III, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

Mr. **Miller**. Thank you, Mr. Chairman. I am pleased to be here to discuss S. 2037, the Presidential Transition Effectiveness Act.

Based on an initial reading, the Administration supports the intent of this act. However, at this point we do have several concerns. I would like to direct my comments to 3 major changes proposed by the legislation: First, increasing the level of transition funding; secondly, the Federal funding of pre-election transition expenses; and thirdly, requiring the disclosure of private contributions and the individuals involved in transition activities.

Now, the Administration applauds the Committee's recognition of the need to increase the funding for presidential transitions. The funding levels now in law have not been changed since 1976. We agree that the combined limit of $3 million for transitional purposes—now 2 and 1—should be increased and that the level of $3.5 million for the incoming President and Vice President is appropriate.

However, I recommend commensurate increases for the outgoing President and Vice President as well, a total of at least $1.5 million, and that this sum, like that for the incoming President and Vice President be indexed for inflation.

Second, we note that S. 2037 would authorize the General Services Administration to reimburse to a national party committee up to $200,000 for use in transition planning prior to the General Election. Now, we agree with you, Mr. Chairman, that presidential candidates might well give some attention to planning for transition before the General Election. However, we do not believe that these pre-election activities should be financed by taxpayers.

Third, as a condition of receiving Federal funds after the election, S. 2037 would require the incoming President and Vice President to disclose the date, source, amount and expenditure of all private money received for use in the transition. In addition, they would be required to disclose the names of each member of the transition team, whether they are full time, part time or volunteer, as well as the member's most recent places of employment and their current sources of financial support.

Now, we clearly support the need for protecting the Government from individuals who might attempt to use the transition for personal gain by obtaining sensitive information, influencing appointments or otherwise. However, we believe that administrative controls can protect the transition process from potential abuses.

Under current law and regulations, those members of the transition team that are employed by the Federal Government are subject to the Federal ethics rules and penalties. Individuals that volunteer their services during a transition should be given access only to the information that would normally be available under the Freedom of Information Act.

Most individuals, by my experience, can conduct the business of the transition effectively without access to sensitive information. In those cases where it becomes necessary for an individual to obtain such sensitive information, that individual would then have to become an employee of the Federal Government.

Finally, Mr. Chairman, let me make a personal observation based in part on my own experience as a member of the 1980 Reagan/Bush transition team. I think it absolutely essential that, of course subject to existing laws and regulations, the incoming President have maximum discretion to organize his or her transition, and particularly, I believe that the transition team reports and other papers should not be made public.

An incoming President needs candid—probably more important than any other time in his or her career—needs candid, confidential inputs from a broad range of experts. If transition reports and other papers were to be made public, the President-elect would select only people whose views were known in advance and, essentially, safe. Experts and others particularly concerned that their objectivity would be compromised by public disclosure of their findings and recommendations would not serve in the transition effort, and those who did serve would "pull" their punches.

Mr. Chairman, that completes my prepared statement and I will be happy to respond to any questions you might have.

Chairman GLENN. Good. Thank you, Mr. Miller.

We do not address the things on issues that you referred to in your last paragraph there—team reports, other papers, positions and so on. So I would not want anyone to think that we are trying to address that because you spoke of it in there.

Mr. MILLER. Absolutely.

Chairman GLENN. And I would share that. I think an incoming President should have complete freedom to have issues and matters like that brought before him, pros, cons and so on, without fear that everything is going to be brought out the next day in the paper under some Freedom of Information. I do not think it should be that way. He should be free to consider every option that is available.

Nor is there any effort made to channel how an incoming President would be forced to organize.

Mr. MILLER. Right.

Chairman GLENN. We just address the funding and also the reporting of where private money is coming from. It is already required that they report on the Government money.

Mr. MILLER. That is right.

Chairman GLENN. But where the private money comes from, we follow that all through the election campaign. We have FEC reports that take you right down to the exact penny and if the account does not agree to the penny with another one, you are in violation. I know that from some personal experiences recently.

So then we reach the election day and all bets are off. You can have money from whatever source and nobody ever knows where it came from, where it went or whatever. That is what we are trying to impact on and create the same kind of environment that leads up to election day, have that same kind of environment continue on to the establishment of the new Administration.

Let me ask, in your area of OMB specifically, there has been some discussion on how OMB staff could help an incoming President prepare the budget. The problem is that the outgoing President is required to submit a budget regardless of whether it is going to be dead on arrival. It is just waste paper coming over because the new Administration coming in is not bound to that presentation.

Do you have any thoughts on how we could make that budget process work a little more smoothly? Perhaps you should just agree to submit a current-services budget next year and let the incoming President do the work on the formal budget proposal.

Have you worked any in this particular area?

Mr. **Miller**. Mr. Chairman, that is an important point and I think probably no other document would launch a new President in terms of his or her priorities than that resubmission of the budget or that additional information.

Let me say, from my observation, the budget process for generating the coming year's fiscal budget really begins way before the election. It begins even during the summer when guidelines are given and so forth. So the budget preparation part I think should not be truncated and await a new President.

I think, frankly, to start a new budget after a new President comes into office would be impossible because it would take several months and it would eat up an enormous amount of time of the new President and it would be inefficiently done, especially because at the beginning of an Administration you would not have the senior political appointees in place at the various agencies.

I think surely you ought to prepare a current-services budget; that is, the outgoing Administration should prepare a current services budget and all of the numbers that need to be ground out in doing that, based on the previous year's appropriations and any changes in entitlement programs that might have come down the pike.

But I would, I guess, be reluctant to deny an outgoing President the opportunity to make a statement about what he or she might recommend in terms of the budget priorities of the Nation. I do not think that the last little spin, that is, of making their own proposal, would in any way hamper the new President in coming in and it might give a basing point for discussion of whatever changes the new President might wish to propose.

Again, from experience, I think anything the outgoing Administration can do, the OMB under the leadership of the outgoing political appointees might do to enable the new President to facilitate his or her stamp on the budget ought to be accomplished.

I think permission, essentially, for the new incoming President's political choices to be involved in a very free and open way with the political appointees of the outgoing Administration would be very helpful.

Chairman **Glenn**. I know we get very political here in Washington. We are Republicans and Democrats and we cue to our party lines and so on, but it would seem to me that in a transition period the OMB office in particular could be of tremendous value to both parties. I do not know whether you have thought about what briefings might be available to both candidates and the people coming in.

I think your office is probably—I do not mean to denigrate it—but it is one of the least appreciated offices in this country. If you asked the average person in my home State of Ohio, or John's Pennsylvania, what does OMB do in Washington, they probably would not know what the initials stand for, basically. And then if you told them what they stood for, well, that is some bureaucratic function of Government down there.

And yet, I have told you personally something I firmly believe, that the number 2 person in Government here—if you ask people that one, too, they are going to say the Vice President or something—you have far more power to influence what happens in this country as the Director of OMB than anybody except the President. And I believe that. I have told you that.

During your hearings, I think, I told you that I thought you were the number 2 man in Government; and you are. You come closer to carrying out the mandate of the President than anybody else in Government, and you are in a particularly unique position there, it seems to me, to give advice to both major candidates. Maybe some briefings would be in order later this year in trying to smooth the transition so that we are ready for whatever direction it goes, so they are aware of what thrusts have been.

Mr. MILLER. Yes, sir.

Chairman GLENN. It might appear a little too apolitical for some people in Washington but I think that would be a great step forward myself.

Mr. MILLER. You are probably right, it would be too apolitical for some people. But I agree with your sentiment, Mr. Chairman. I would anticipate the OMB's being not only willing but eager to brief incoming officials and to be as cooperative as humanly possible.

I can remember the last transition. It is a difficult thing to get everything nailed down about the budget and to turn all the cranks and get the budget out. It is a wrong time of the year, arguably, for OMB to be making briefings, et cetera, but I think you are absolutely right. Efforts need to be taken by any Office of Management and Budget in any Administration to be as helpful as they possibly can to the incoming Administration.

Chairman GLENN. You were not particularly enamored of our idea of the $200,000 for the parties to do pre-election planning. Would you expand on that a little bit? It seemed to us that perhaps the parties could be a position of institutional memory through the years from one election to another. That was one function.

The other function is to actually try and have somebody sitting down that is really trying to lay out, here are some of the best people in the country, get some lists together, get some ideas together on where the offices and the phones are going to be, work with GSA, do some things that regular campaign people are not going want to do in the middle of a campaign, particularly if it is a tight campaign.

They are not sure whether they are going to win or not, let alone transition. And so they are not going to put any effort into it and it seemed to me that the parties would be the place to do that and it would help strengthen the parties to some extent, too. And $200,000 we felt was the minimal amount.

You did not particularly like that. Would you expand on your reasons why?

Mr. MILLER. Well, let me say, one thing is you are paying $2 for every $1; that is to say that if you have pre-election transition expenses, arguably both major parties are going to do it but only one transition is going to be useful.

A second thing is that there is the problem, essentially, of choosing. I just have this notion, even if there is a very minor party, that minor party candidate should have an equal footing with major party candidates.

I know maybe that is unrealistic. I think we are going to have two major parties, whatever the case. But I know that it says national—the authorization says "national" political committee, and arguably that could be interpreted as to include three instead of two.

I do not know. If you just ask people generally, there is obvious reason to have a transition after an election. But before an election, that is not the transition process. I mean, I think you are right. I think the political parties ought to think about that. And for example, I have just doing some thinking about—not that I am going to be involved in the next transition or the next Administration—but how you might go about putting together data banks of personnel in a better way. I know that some people at the White House have been thinking of that as well.

I mean, there are various ways that you can ease a transition by doing things before the election. I do not have any real good arguments, but I think on the whole, given that it is $2 for $1 and given that there is just something about, it seems to me, paying for transition planning before you even know that there is going to be a transition would argue against it.

Chairman GLENN. Do you think our $3.5 million is enough? You have had experience in the last transition team. Let me follow that up by saying that when we requested a listing of what private funds went into the last transition, and the previous, the Carter years, also, we got nothing. We got zero on private funding records.

Mr. MILLER. Most of the private funding, Mr. Chairman, as you know, are people who sort of contribute their time; companies that will continue paying their executives to come be part of the transition, to volunteer for the transition; think tanks—in my case a think tank continued paying my salary when I was involved in the transition; academic institutions.

The major contributions from the private sector are contributions-in-kind and it is kind of hard to total that up in a very accurate fashion.

Chairman GLENN. How about the cash requirements, though? You take that in-kind so long as it is reported. That is fine. But how about cash requirements? Will 3.5 do it?

Mr. MILLER. I think so. That would be a substantial increase over the $2 million that is in current law. I think that is a good number.

Chairman **Glenn**. Which was set in 1976, which is worth $1.2 million in 1976 dollars now.

Mr. **Miller**. That is right.

Chairman **Glenn**. GAO estimated if we really kept up with inflation we would have to be up around $4 million now, so we cut it $500,000 below that.

Mr. **Miller**. I would not try to assuage you of the notion that $4 million would be appropriate.

Chairman **Glenn**. We are a little concerned about institutional memory so we do not start over every time there is an election in this country. I do not know, frankly, where that should be. Some people have proposed we should have our Secretariat in the White House. It sort of becomes the institutional memory from one time to another.

There have been other suggestions. Another one is the idea that the political parties would be sort of our institutional memory, and that is part of what the $200,000 would go, would be for some longer-term planning and files and records and data banks and so on from one election to the next.

Another one that this Committee has had an interest in for a long time, just as having a chief financial officer for Government, and there could be some continuity in that area. I know that your CFO is making some headway, but is that possibly an area that could be an institutional memory? We are mainly into finances, anyway. It is what we are talking about.

Mr. **Miller**. I am not sure that that would be an appropriate role for the CFO. On the other hand, a Secretariat within the White House that went from one administration to the next, I do not think would be a good idea either. I think the President has got to have the flexibility to choose his own people and set up his shop the way he or she might want it.

I think there is something to the argument that the political parties would be natural reservoirs of knowledge and research in that area. I know the political parties engage in that kind of research already and I am just not sure that money, paying it in advance to the parties would be appropriate. And it would be difficult, despite the two distinguished gentlemen you had here this morning, I think inevitably there would be questions about whether this money was intermingled with other monies. The reporting would be a difficult thing to always nail down.

I will give some thought to that. But the point you make is absolutely correct. There needs to be institutional memory. There needs to be thinking about transition effort in advance. And I think you are absolutely right. The outgoing administration which, again the problem is, does not always have a good incentive to try to help the incoming administration. But we need to think of institutional arrangements that would encourage that to take place, because all of us have a stake in that. I mean, the whole Nation has a stake in a smooth transition.

Chairman **Glenn**. Okay. Anything else you want to add, I would be glad to hear it. We may have additional questions for you later on, other Committee members may have, as well as staff, and we hope you could respond to those.

Mr. **Miller**. Mr. Chairman, I appreciate that and I think the point that you are working on, the issue that you are dealing with, is most important and we stand ready to work with you and your staff in any way we can be helpful on this.

Chairman **Glenn**. Let me ask one thing. You talked about sensitive information here. I knew there was something I wanted to get back to. You talked about sensitive information.

In a transition such as you went through before, you immediately have a need for people to be brought in with clearances, in effect, at the very highest levels of Government, for top secret material, classified, compartmented material, and you have to have that if there is to be a transition and people are really going to be knowledgeable about what they are doing on inauguration day.

How do you do that? Is there any better way? That is one of the reasons why this transition planning to me was rather important. We have so many spots in Government now that require clearances, require access to classified information, great numbers of spots, and all top level spots here, and some of that kind of transition planning, it seems to me, could list people who already have clearances of one kind or another and things like that. Because, once you get to election day you cannot possibly run a background check and a clearance, with all of those people, through FBI and all the background check requirements and have them available even close to inauguration day.

Now, that is one of the areas of transition that concerned me and I made a note of it when you mentioned something about sensitive information. It is very crucial and you cannot possibly clear people in the time period between election day and inauguration day.

Mr. **Miller**. Yes. And I doubt that you could do much clearing of people, really, in a transition before that.

Chairman **Glenn**. No, but you could at least list who has had previous background checks and so on.

Mr. **Miller**. You could find that. I think that that kind of information, who has previously held a secret clearance or a top secret clearance or whatever could be found out fairly quickly. I think on the whole, though, the need for transition team members to have access to truly sensitive information is not very great. That is my own personal experience.

I had a very good transition team experience. I was captain of the FTC's transition team and Chairman Pertschuk made available to us a room there and we had access to basically just the information that was publicly available and we were able to do a very fine job, I think, based on that public information.

Now, when you get into defense areas and intelligence areas, et cetera, it is a bit different; that is for sure. But even there, the kinds of people that you would pool together for a transition team would be people who would be generally knowledgeable about the major important parameters of the agencies and the directions that they could be able to recommend that the agency go.

The transition report and the transition recommendations to the President I do not think are based on such intensive specialized knowledge of what is going on at the present moment than expertise in the area that is already possessed by the people who are involved.

I think having access to the people and getting some of their views and so forth is very important but I do not think that there is that much need for secret and top secret clearances for that kind of job.

Chairman GLENN. Thank you very much. I appreciate it. Thank you.

The next panel consists of Mr. Harrison Wellford, who was President Carter's 1980 transition advisor, and Mr. William Timmons, who was President Reagan's 1980 transition advisor.

Gentlemen, welcome, both of you. We welcome your statements and, Mr. Wellford, we would be glad to have you lead off, if you care, and make any statement you wish to make.

TESTIMONY OF HARRISON WELLFORD, CARTER 1980 TRANSITION ADVISOR

Mr. WELLFORD. Thank you, Senator Glenn.

I served through two transitions, one from President Ford to President Carter and then from President Carter to President Reagan. In the course of both of those transitions I had to think through how the underlying Transition Act legislation should be modified.

In that context I want to commend that job that you have done and your staff has done. I think this is a well thought out piece of legislation and it has done a couple things that I at least have preached about for a long time, particularly with respect to the issue of disclosure of private funds that are raised for the transition process.

Let me just go through the main points I would like to comment on in the legislation. First, the amount of money that you have allocated for the transition process. For a long time I thought that in order to avoid some of the pitfalls of the transition that we ought to discourage the use of private funds altogether.

But as that has not fallen on fertile grounds, I think that what you have proposed is a sensible compromise. First, you have increased significantly the amount of money for the transition teams. I think the $3.5 million is the absolute minimum that you responsibly propose. But given the fact that you are going to permit private funds to be donated, subject to full disclosure, I think this amount of money is practical.

I believe that you have also allowed it to increase relative to inflation in future years, which is an important step and was not done in the past. But I think from the standpoint of the amount of money that you have come up with and the increased complexity of the transition process since 1976 and 1980, that this is an appropriate step.

The second thing I would like to comment on is the providing of funds for the pre-election period. I was interested in Mr. Miller's remarks about this. I was involved in the Carter pre-election planning process and I think that your proposal to have some money set aside for the party national committees to spend on pre-election planning makes a lot of sense from a couple of respects.

Number one, one of the problems with serious pre-election planning is the possibility of conflict between the campaign staff and the planning staff. We went through a rather difficult period in the Carter experience in which the planners and the campaigners sometimes did not fully understand each other.

What you have done is provide a little distance, a little insulation, by having the money go to the national party committee you permit both the institutional memory that is sorely lacking here that once these transition teams are split up and go their separate ways almost everything that has been learned about the process is lost.

By having the national party committees being the sort of centers of expertise, I think there is a good chance, despite the turnover in those committees, that you will have people develop some continuing knowledge and expertise that would be helpful to the President-elects in the future.

Second, by the fact that it is a separate institution outside of the campaign itself, I think that you will perhaps reduce some of the misunderstandings and jealousies that often happen when planners and campaigners are all wrapped up together in the same campaign.

The idea that this pre-election money could be used to expedite both the logistics of transition for the President-elect and perhaps help in doing some of the preparation for the great personnel search that ensues after the election, I think that is a noble objective. I hope that it is successful. I am a little skeptical about how successful it will be from my own experience.

But certainly from a standpoint of logistics, working out with GSA in advance some of the nuts and bolts of space requirements, transportation and that sort of thing, there should be some real advantage in having these pre-election funds available to stimulate that process.

From the standpoint of helping with personnel selection, I do not know that there is a whole lot that you can do. Perhaps, as you pointed out, it will be useful to get somewhat of a head start on national security clearances and that sort of thing but I would not expect too much from the national party in setting up a predictable, ongoing personnel selection system that is going to stand the test from one election to another. I find those systems to be so personal to the President-elect that they tend to not carry over very well from one election to the other.

The third point I would like to comment on is the provision for disclosure of private transition planning funds. I cannot stress how important that is. The transition period for a President-elect is, as for the country as a whole, is a period of a lot of potential peril and risk. You do not need to increase unnecessary risk by having a lot of easy money flowing into an untested system where many people are looking for office with a lot of temptation by an untried team to get involved with things that perhaps they should not get involved in from the standpoint of the long-term interest of the President-elect.

I think by having the whole process subjected to a little sunshine is going to provide more discipline and responsibility by everybody involved. It is really surprising that under existing law you can raise all of this money and not really be accountable to anybody for it. It just does not seem appropriate, and I think what you have done here makes a great deal of sense so I commend you for it.

In conclusion, I think that you have got a careful piece of legislation. I think it provides an appropriate level of funding. I think it allows an appropriate level of discretion to the President-elect to organize his team and to carry out his own objectives.

But most importantly of all, I think that you have provided an open process where even though private funds are going to be raised, the expenditure of those funds, the people that are the beneficiary of those funds, the corporate interests and private interests that are involved in those funds will all be set out for everybody to see, and that is a very important step.

Thank you.

Chairman GLENN. Thank you very much.

Mr. Timmons.

TESTIMONY OF WILLIAM TIMMONS, REAGAN 1980 TRANSITION ADVISOR

Mr. TIMMONS. Thank you, Mr. Chairman.

I appreciate the opportunity to come back. I was the deputy director of the Reagan/Bush transition in 1981 and appeared before this Committee last year before the legislation was drafted.

Chairman GLENN. In fact, let me just remark on that, that when you were here before in September, this bill does reflect some of the things that you told us at that time, both of you, when we had our discussion then. So your former appearance bore some fruit in this legislation here.

Mr. TIMMONS. Thank you, Mr. Chairman. I applaud your efforts and the efforts of the other members of the Committee and the staff working so diligently to craft legislation that I think will be helpful to future Presidents-elect. I can support all the provisions of S. 2037, but have a few comments about several of the sections.

The centerpiece, of course, is to raise the funding level from $2 million to $3.5 million with an inflation adjusted increase for future years. I think that it might be helpful, though to use the consumer price index or some other identified measurement for inflation rather than leave it to the Administrator of the General Services to estimate the actual costs of increases in transition services.

It seems to me that would be very difficult for the Administrator to comply with, there are so many different ingredients in a transition, and I think it would probably be better to have some identified index, the Congressional Budget Office, or the CPI, or something so everybody would clearly know what the increase would be.

A new provision in the legislation provides for $200,000 for each political party. I think that is an important aspect of your legislation and can certainly give the President-elect a head start on preparing for the transition.

I do have some concern about the definition of a major party candidate to qualify for transition planning money. A strong third party candidate might develop in some presidential year without that third political party having met the 25 percent threshold 4 years earlier, and you might want to consider some additional test that would enable a third party to qualify for these planning funds.

For example, the Administrator of General Services might be authorized to calculate the total number of popular votes received in the primary states and compute the percentage received by a third party candidate, and if it were 25 percent, that would be the threshold to enable that candidate to receive the pre-planning money.

I do not think that is a major item but it is one that, since this legislation will be on the books for many years——

Chairman GLENN. I do not know whether we considered on that or not. I think it is good because in our system of Government we want to always provide for the possibility of the rise of a third party. There is nothing that says Democrats and Republicans are carved in stone to the year 3000 or anything like that. We want to provide the capability of a third party, if that would ever occur.

Mr. TIMMONS. And 4 years is a long time, a long period in American politics to go back and look at the last election and whether a third party received 25 percent.

Chairman GLENN. We will look at that again.

Mr. TIMMONS. Another important provision of the bill is the requirement to make public through the Administrator of General Services any private financial contributions made to a political party or the President-elect for transition purposes. This is proper, I believe, to maintain the integrity of the transition process.

However, I have several suggestions regarding the section requiring public disclosure of individuals assigned to Federal department and agency teams. I believe this provision should be strengthened by including all transition personnel, not just those assigned to the departments and agencies.

Perhaps two-thirds of the transition force is involved in departmental or agency teams. But headquarters supervisors frequently need to communicate with various agencies and departments, although they are not technically listed on the departmental roster.

I would favor listing all transition personnel by function. This would be helpful in avoiding misunderstandings by well-meaning individuals who want to help but really are not part of the official organization. It would eliminate the burden, also, of the transition management inadvertently overlooking somebody that should be on the agency team. So I would just list everybody.

Furthermore, I recommend that these lists be transmitted to the Administrator of General Services for publication, rather than the current requirement in S. 2037 which simply provides for disclosure to the public. This change would avoid possible confusion over the "hows and the whens" of disclosure by the transition organization.

A careful reading of the language that provides disclosure of the sources of funding which support the activities of all transition personnel who are members of the departmental team, I think means that a simple listing of either full-time or part-time and either public or private funding or volunteers would be required. However, it is unclear to me how Mr. X might be listed if he were an unpaid volunteer on leave from some corporation who utilized appropriated funds for his desk and typewriter and secretary and transportation and so forth. He is sort of a mixture.

I presume that the listing would have his name in the first column; the second column would be his most recent employment, which is a requirement; the third column would probably say whether he was full-time or part-time; and the final column would say whether he is public, private or volunteer. That is kind of the way I envision these lists coming out.

In that particular case, he is a part-time volunteer and is not paid by anybody; I mean, by any Federal source. Yet, the sources of funding which support the activity—the secretary and the physical equipment—is in fact public funding and that is a little confusing to me and I think may deserve some kind of clarification. I do not care which way it bounces but it just ought to be clear.

Chairman GLENN. Okay. Good point.

Mr. TIMMONS. I think, Mr. Chairman, it would also be helpful for the legislation to require the incumbent President, the outgoing President, to identify the principal transition officer and at least one transition official for each department and agency. My colleague, Harrison Wellford, made certain that those appropriate officials were identified and were cooperative in the 1980–81 transition.

However, future transitions may not enjoy that sort of relationship and it could be difficult for the incoming team to know exactly who is responsible in each department and agency for the outgoing transition.

The provision for extending the Vacancy Act from 30-day appointments to 120 days is meritorious. It reduces the potential problem of leaderless departments and agencies during the formative period of any administration.

Overall, Mr. Chairman, S. 2037 makes great strides forward in enabling Presidents-elect to prepare for their assumption of their duties and I commend the Committee and the staff for its product.

Chairman GLENN. Good. I thank you very much.

You have both worked for presidential candidates, not the party committees?

Mr. WELLFORD. Correct.

Chairman GLENN. Not the RNC or DNC. We make the party the focus of the planning effort, though if the party wanted to, they could delegate the responsibility and the money to the candidate if they so chose, which I doubt that the would do, usually, but that could be a possibility.

Do you see any difficulty there with making the party sort of the repository of transition information and let them do these studies in advance? Would you rather have that under the presidential campaign committee?

Mr. WELLFORD. I think there is a real advantage in having the parties play this role for the reasons I stated a few minutes ago. The planners and the people that are putting out fires day-to-day on the campaign trail have difficulty coexisting in a pre-election period.

That problem will not go away if you provide the locus of responsibility at the national committee level. But I think that it should provide, as I said, a little distance between the day-to-day urgencies of the campaign and a planning process that is physically in a separate institution.

Secondly, there ought to be some prospect that the national committee would take this responsibility to heart and create some kind of ongoing infrastructure that would provide a little continuity between elections. I do not think that if you just leave it to the campaign that will ever happen. So for those two reasons I think it makes some sense.

Chairman GLENN. Do you favor putting it with the national committees?

Mr. TIMMONS. Yes, Mr. Chairman, I do. The political parties are going to have to be careful, one, that they do not embarrass the candidate. Any sort of publicity on their activities and the policies, whatever they are doing, could embarrass the candidate. I assume they will use good judgment on that.

Number 2, there is, of course, a Federal law against promising Federal jobs to individuals during the campaign by the candidate, and someone might argue that an extension of the candidate is the political party, so that requires some discretion on the part of the two political parties.

But basically I think it is very good. One thing that is absolutely essential in their pre-planning, it seems to me, is to take a look at the expiring laws that are going to come up the first few months of a new administration. There will be a big list of legislation that is going to have to be addressed quickly by the new President.

There are just a host of things that could usefully be done, it seems to me, by the political party separate from the campaign organization.

Chairman GLENN. Are there any areas where you think we need to get into the Federal Election Campaign Act and make changes there, too? We do not get into that, really, in this bill.

Are there other areas you think feed into this transition period that need additional legislation?

Mr. TIMMONS. I cannot think of any, Mr. Chairman.

Mr. WELLFORD. No. I think that your disclosure provisions in here take care of most of the questions I might have about that area.

Chairman GLENN. Okay. You suggest using CPI. I think we want the staff to do a little more work on that and see if we can come up with a different basis for this. You may have a good point there.

We tied it to inflation. Inflation and changes in CPI should not be too far apart. I do not know which would reflect best the increased cost of transition, just a straight inflator applied to this, or a CPI base.

You suggested CPI. Do you think there is going to be a major difference between CPI and inflation that we have used?

Mr. TIMMONS. I really do not. The legislation provides for an estimate by the Administrator of actual increases in the cost of transition services. I just think that is going to be very difficult for any administrator to try to judge. Clearly, personnel costs go up, rent goes up and transportation goes up, and so forth and he has to kind of figure that out.

Chairman GLENN. We may want to give him a little guidance on that and just tie it directly to either CPI or inflation or something so there is not any doubt on it, although I would not think that general inflation for food, manufacturing and all the things that go on clear across the country would necessarily apply to a transition team.

They are interested mainly in transportation, rooms, bringing people in cross-country, meals, things like that that might not apply to a general inflation figure. Maybe CPI might be more indicative of what the expenses actually are, or less. We will have to look at that again.

Okay. I do not have any more questions. I appreciate you being with us again this morning.

I would also add for the record, Senator Heinz asked that his opening statement be placed in the record in its entirety. He had to go to another hearing, and he also has laryngitis, so he wanted me to apologize for his short stay here this morning.

We will put his opening statement in.

[The statement of Senator Heinz follows:]

OPENING STATEMENT OF SENATOR HEINZ

Mr. Chairman, I am glad to have an opportunity to review your legislation, S. 2037, to improve transitions between administrations.

Our previous hearings on the transition process raised important questions. Are funds adequate to cover the public costs of a Presidential transition? We have heard previous testimony that the current $2 million for transition planning expenses is not enough. That ceiling, enacted in 1976, may have seriously eroded over time. The legislation before us would attempt to solve this problem by raising the ceiling. Today's witnesses will help us to determine how the funds can be best used, and what level is sufficient to cover a transition.

In addition, providing limited reimbursement of transition planning expenses to the major national parties is an especially noteworthy provision of the bill. Increasing the parties' roles in transition planning has important procedural implications. It is certainly appropriate that Frank Fahrenkopf and Paul Kirk have come before us to testify on this point, and I want to welcome them here.

An incoming President shouldn't have to be overburdened with the problems of a transition. Many in the field of political science are finding that a President's agenda loses its chances for enactment over time. He has a small window of opportunity to put forward his legislation, while Congress and the public are willing to respect his mandate.

With that in mind, a President should be primarily concerned with the matters of office, not with those concerning getting into the office. With the parties' continued support during transitions, a President-elect could focus on the job at hand.

Finally, I look forward to hearing more about the bill's extensive public disclosure provisions. What is the goal behind these provisions, and what is the evidence that they are needed? These are questions I would like to have answered before we move the bill along.

Thank you, Mr. Chairman.

Chairman **GLENN**. Thank you, gentlemen. Thank you very much.

Our next witness is Mr. Sheldon Cohen of Morgan, Lewis and Bockius, former Internal Revenue Service Commissioner under Lyndon Johnson. He is accompanied by Mr. Mark Abramson, Executive Director of the Center for Excellence in Government.

Gentlemen, welcome, and Mr. Cohen, we welcome your statement at this time, either in summary or in its entirety. In either case, it will be included in the record in its entirety.

TESTIMONY OF SHELDON S. COHEN, MORGAN, LEWIS AND BOCKIUS, FORMER INTERNAL REVENUE SERVICE COMMISSIONER UNDER LYNDON B. JOHNSON,[1] ACCOMPANIED BY MARK ABRAMSON, EXECUTIVE DIRECTOR, CENTER FOR EXCELLENCE IN GOVERNMENT

Mr. COHEN. Thank you, Mr. Chairman. It is nice to be with you. I will run through the statement lightly.

I come here wearing several hats. The first of those hats is as a representative of the Center for Excellence in Government. The Center is composed of 350 individuals who formerly served in both Republican and Democratic administrations and who are interested in this process that you are discussing today. They are interested in improving the quality of the people who man our Government at all levels.

The second, I am Secretary of the National Academy of Public Administration and I am also one of the signatories to the Harvard University Center for Business and Government Private Careers Project, which is likewise looking into improving the Government personnel process, both at the routine level and at the highest levels.

Third, I served as Commissioner of Internal Revenue for 4 years and I served a number of campaigns and I served a transition from the Johnson administration to the Nixon administration in my area. Likewise, I have been interested in political campaigns and worked in the Kennedy campaign in 1959-60 and served as General Counsel of the Democratic National Committee for almost 5 years.

In all of those roles, by wearing all of those hats, I would applaud the bill that you have introduced. It is a constructive piece of legislation that is long overdue. It is not perfect, as you have discussed this morning. There are a number of improvements that could be made. None of us know what the numbers ought to be. The $3.5 million is as good a number as anybody can guess right now.

After we have had the first snapshot sometime next year, assuming your colleagues willing and this legislation passes, we would then have solid numbers based on experience. You would have before you the persons who tried to administer this process and they would tell you they had too little or too much, as the case might be. I expect it is too little, but I do not know that.

On the funding for pre-transition, I think it is critical. I think it is more critical than the money for the post-transition. During the campaign—and I have lived through a few of them—no one that is close to the candidate in a close election will take—and nobody will admit that any election is not close—will take the time to spend 5 minutes thinking about who ought to be Secretary of State or Secretary of Defense or what law will expire on January 21st and has to be immediately reproposed. There may be an exception when somebody is buttonholing the candidate for, would you consider me for whatever, and they will put him off with some generalization.

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[1] See p. 238 for Mr. Cohen's prepared statement.

None of those things will be considered unless it adds at that moment to furtherance of the election of that particular candidate. All the people close to that candidate are so involved in that election process that they forget everything of substance they know even though they are fine substantive people.

So we need to find a repository of knowledge and confidence in the candidate and of the candidate who can act as a surrogate. This group will not do the planning, not pick the people, but to get the process going. It will start thinking about how one would organize that process, who in the staff could handle various positions and will start making lists of jobs and lists of people who might fill those jobs.

The committees are the natural places—they are not the only place—but they are the natural places because the campaign will not do it. If you gave the candidate the money, they would not do it.

Now, if the committees do it, I suspect that both chairmen of those parties, if they are wise—and they probably are—would pick someone whose reputation is above reproach and whose confidence the candidate would have, because otherwise it will be a wasted endeavor. I agree with Mr. Timmons, that if there are more than two viable candidates, provisions should be made for the others.

Just to use a couple of illustrations on either side, somebody like a Clark Clifford or a Mel Laird would be someone that everybody in the process would have confidence in that this person is running a good planning process and I can learn something from it. The candidate may not adopt everything in such a process but will learn a great deal from it.

So it would have to be carefully done by those chairmen in order to be useful.

I think that the know-how and the infrastructure, as the chairmen discussed with you this morning, is available. They are both audited. In my day we made arrangements by the same accounting firm, and I believe that carries through today. In other words, they adopted the idea that they would both be subjected to the same kinds of scrutiny so they both chose the same public accounting firm. They use the same scrutiny on both committees and the reports are the same, and I think that is useful.

Institutional knowledge in national committees is a nonentity. That is, the staff of a national committee turns over faster than the staff of a Government. So I do not know that 4 years ago's experience or 8 years ago's experience is necessarily going to be found in people associated on the staff of the committee. It will be found in people who have worked with the committee.

I have not been General Counsel of the Democratic National Committee now for almost 12 years—11 years, anyway—and they will call me often on a matter of, do you remember, or do you have files on such-and-such. I have talked to my Republican counterparts and they have the same problem.

So I would not count on the committee for an institutional memory. Nevertheless, I would still follow what you have chosen to do; that is, to place the responsibility in the national committee. I think it is a good place.

I applaud the public disclosure and I do not think it places an undue burden on anyone. I think you need to strengthen the language about in-kind contributions because as was brought up by others and as brought up in my prepared testimony, there will be a good deal of in-kind, both personnel and things, or supplies, and we need to develop a technique for just laying that out.

I mean, it ought to be reported if I give $10,000 to the transition. It ought to be reported if I lend an executive who I pay $10,000 during the several months he is away, or I provide automobiles that cost me $10,000 during that period of time. So, I mean any of those items should be reported. This will lead to complicated rules and which will have to be worked out. I think that at least in the legislation you should instruct the General Services Administration to work out a technique for reporting that is both feasible and provides public information in order to, again, engender confidence.

I think that is a summary of my testimony and a few remarks that I have in regard to some of the things that were discussed by the earlier witnesses.

Chairman **Glenn**. All right, good.

Mr. Abramson, do you have any remarks you with to make?

Mr. **Abramson**. The only thing that I would like to emphasize is the issue of in-kind contributions. I spent the last couple of years talking to people in corporations who have previously been in Government, people like Paul O'Neill, Ed Harper who were here in September, and I just think that there ought to be a very clear understanding that if the opportunity came for them to be loaned from ALCOA or Campbell's Soup, that that could be done as easily as it could be done and just making it public.

So that is the only thing I would like to emphasize as you continue on the bill.

Chairman **Glenn**. Okay. Maybe we need to get into that. I do not know whether staff wishes to comment on our considerations on in-kind contributions or not.

Do you wish to comment on that, Paul?

Mr. **Light**. There was a significant amount of resistance from corporate officials to reporting of in-kind contributions and there was some concern that they might not be willing to serve in Government if they had to report the amount of their salaries.

Mr. **Cohen**. One suggestion, Mr. Light, along that line would be, I do not know that it is important that Mr. X is paid $300,000 a year and he volunteers 3 months. Therefore the contribution is approximately a quarter of his salary or $75,000. I think it is important to know that he was paid by his company. We could designate, for example, for in-kind contributions that they be reported at the top grade of a Grade 18, for example.

I do not think the fact that he is paid $300,000 is that important. I think the fact that he is paid by company X, Y or Z is important because it is the same as if company X, Y or Z gave $75,000 to the transition group.

Mr. **Light**. Well, we do require under this legislation that all employees of the transition, whether they are full-time or part-time or volunteer, are required to report the source of the funding that is covering their activities on behalf of the transition. So in the case of Mr. X or Ms. Y, you would have a report saying they were funded, for example, by ALCOA, but we do not require under this roster their names or that they report the exact amount.

Mr. COHEN. I am not sure whether that is terribly important. For example, the companies do now report it to the Internal Revenue Service. I am not sure how they are deducting it. They probably ought to deduct it as a charitable contribution because it is a contribution to and for the benefit of the United States Government at that point and not in furtherance of their—I hope it is not in furtherance of the particular company's interest.

So it ought to be reported as a section 170 deduction, charitable deduction, rather than as compensation deduction. I am not sure that makes a whole lot of difference. In any event, that report is seen by the Internal Revenue Service and is confidential and does not go any further.

Chairman GLENN. If we are talking about a publicly held company, the executive compensation is required in the annual report anyway. That would be public information.

Mr. COHEN. It depends on how high the officer is, Senator.

Chairman GLENN. Yes, that is right. But if it was a major officer of the corporation, of course it would be. And I do not see anything wrong with listing what that person's salary would be.

Mr. COHEN. No. If he is the president of General Motors, everybody knows that. But the question would be if he is assistant treasurer of General Motors and he gets a very substantial salary and he does not want that salary bandied about, or the company does not want it bandied about, that could cause a problem.

That is why I suggested perhaps we could just adopt an arbitrary top Government salary and say, okay, we will report it at the equivalent of that because that is what it is worth to the Government. Now, that is not perfect but at least it discloses a number.

Chairman GLENN. What we are concerned about, too, is that some major companies say they saw some legislation coming up that they wanted to influence in particular and instead of one or two people they are loaning, all at once we have volunteers of 20 executives from a particular company that want to get involved in the transition process. We would want to know that, and that is part of our disclosure process, that these things would be known.

Mr. COHEN. I think that is right.

Chairman GLENN. I would not say they could not send people in. We hope they are all altruistic and interested in good Government, but what we are trying to do is protect against the few that are not interested necessarily just in good Government.

Mr. COHEN. I think as Mr. Timmons indicated on his work sheet, the fact that Mr. X takes leave of absence from a large public corporation, he would not take that leave of absence if his boss did not like it. For example, people take leave of absence now to go work for a political campaign. They must do that, because otherwise it would be a corporate contribution. A number of years ago before we amended the election laws in the early 1970s they did not report that type of voluntary activity.

So I think in light of that past history, we need some reporting and I think that has to be worked out. There are some experts at the GAO who have worked this through before, I suspect, when they use to have the equivalent of the FEC started at the GAO, as you remember.

Chairman GLENN. Do either one of you see these reports and all of this as being too burdensome or too difficult? Mr. Abramson, I noted your article in the Government Executive last October 1987 [1] in which you lay out a pretty good challenge there for the 1988 presidential candidates about what their plans are for how they are going to do this thing, how they are going to make a transition and how they are going to really effectively administer Government and we should be asking them some questions along those lines.

I do not disagree with that. I think you are right. And what we are trying to do is smooth over that transition period so it makes it more possible or feasible to do what you were proposing in this article.

Do you think we are going too far? Are we making our reporting requirements so onerous that it is going to interfere with the transition rather than help it?

Mr. ABRAMSON. I do not think so.

Mr. COHEN. I do not think so. I think there are some discussions going on now, as you raised before, about the Ethics in Government Act. There might be some modifications there about who sees what and how much disclosure of minutia has to go on. None of this requires any of that kind of detail. It is the broadest kind of strokes that shows who is working in this and who has potential influence over that person.

Chairman GLENN. You have given us a couple of good areas to think about here. I think the in-kind contribution is one we may want to clarify a little bit better. I am concerned, too, that we not have anyone have the capability, from a company or whatever, come in and just dominate a particular field during the transition period.

I do not think we have had that in the past but it is something we have to protect against.

Mr. ABRAMSON. Senator Glenn, my only concern is you would not want to prohibit that or make it difficult, because I think there are a lot of good people available who would be eager to come and help. So I just think it has to be made easy but clearly make it open so that you know who is coming and where they are coming from.

Chairman GLENN. There have been several articles recently. In fact, Senator Heinz in his remarks that he wanted to have put in the record comments about there being some—with immediately getting the job done. I do not see it here right now.

But I have read an article or two recently about how a new President coming in has about 100 days or 150 days or whatever it is to really make——

Mr. COHEN. He has 10 weeks if he does not take a day off.

Chairman GLENN [continuing]. To really get going. And he sets the tone for it. If he does not do it in that period of time and lay out his agenda and have it effectively underway in that period of time, his administration probably is not going to get too far. And that seems to be the track record of past administrations; not necessarily this one, but going back, a historical study of this.

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[1] See p. 263.

Mr. **Cohen**. One only needs to look back to 1933 to see that.

Chairman **Glenn**. Yes. Right. That is a good example.

Well, anyway, gentlemen, we appreciate this very, very much, your help in this area and we may be back to you with additional questions and we will address some of these things that you have mentioned here before we put this legislation in its final form.

Mr. **Cohen**. Thank you, sir.

Mr. **Abramson**. Thank you.

Chairman **Glenn**. Thank you all very much.

The hearing will stand in recess subject to the call of the Chairman.

[Whereupon, at 11:57 a.m., the Committee adjourned subject to the call of the Chair.]

APPENDIX

100TH CONGRESS
2D SESSION

S. 2037

To amend the Presidential Transition Act of 1963 to provide for a more orderly transfer of executive power in connection with the expiration of the term of office of a President.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, FEBRUARY 2), 1988

Mr. GLENN (for himself, Mr. STEVENS, and Mr. CHILES) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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A BILL

To amend the Presidential Transition Act of 1963 to provide for a more orderly transfer of executive power in connection with the expiration of the term of office of a President.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Transitions Effectiveness Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) inflation has eroded the value of the public funding available to Presidents-elect under the Presidential Transition Act of 1963;

(2) pre-election transition planning by the national parties would promote the orderly transfer of executive power across presidential administrations;

(3) the use of private money contributions for the costs of presidential transitions without public disclosure of such contributions creates the potential for hidden conflicts of interest; and

(4) the lack of publicly available information regarding presidential transition team members creates the potential for hidden conflicts of interest.

PURPOSES

SEC. 3. The purposes of this Act are to—

(1) promote the orderly transfer of executive power by providing for—

(A) sufficient public funding to offset the effects of inflation since the Presidential Transition Act of 1963 was last amended in 1976; and

(B) limited reimbursement of the expenses of transition planning by the major national parties during the general election campaign; and

(2) provide for public disclosure of—

(A) all private money contributions and expenditures thereof provided for purposes of—

(i) transition planning by the national parties; and

(ii) the preparation of the President-elect or Vice President-elect for the assumption of official duties as President or Vice President; and

(B) a list of the names, most recent employment, and sources of funding which support the transition activities of all transition personnel who are members of the President-elect and Vice President-elect's department or agency transition teams.

PRESIDENTIAL TRANSITION PLANNING AUTHORIZATIONS

SEC. 4. Section 5 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) is amended by redesignating such section as section 9 and—

(1) by inserting "(a)" after the section designation;

(2) in paragraph (1)—

(A) by striking out "$2,000,000" and inserting in lieu thereof "$3,500,000"; and

(B) by striking out the comma and "and" at the end thereof and inserting in lieu thereof a semicolon;

(3) in paragraph (2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and";

(4) by adding after paragraph (2) the following new paragraph:

"(3) not more than $200,000 may be appropriated for the purpose of providing reimbursement to a national party committee as defined in section 5(c)(2) or the designee of such a committee as provided under section 6(d) for transition planning expenses under sections 5 and 6."; and

(5) by adding at the end thereof the following new subsection:

"(b) The amounts authorized to be appropriated under subsection (a) shall be increased by an inflation adjusted amount, based on an estimate by the Administrator of actual increases in the cost of transition services and expenses which have occurred in the years following the most recent Presidential transition, which shall be included in the budget transmitted to the Congress under the provisions of section 1105 of title 31, United States Code, by the President for each fiscal year preceding the fiscal year in which the term of office of such President shall expire.".

PRESIDENTIAL TRANSITION PLANNING AND EXPENSES

SEC. 5. The Presidential Transition Act of 1963 (3 U.S.C. 102 note) is further amended by inserting after section 4 the following new sections:

"REIMBURSEMENT OF EXPENSES FOR TRANSITION PLANNING

"SEC. 5. (a) Subject to the provisions of subsection (b), the Administrator is authorized to provide reimbursement of pre-election transition planning expenses from funds appropriated under section 9 to each national party committee of a major party candidate for President.

"(b)(1) Funds provided under subsection (a) may not be expended for any purpose, except for transition planning as defined pursuant to subsection (c)(3) and transition expenses described pursuant to section 6.

"(2) The Administrator may not provide funds under subsection (a) to a national party committee in any year in which the Presidential candidate of such party is the incumbent President.

"(c) As used in this section the term—

"(1) 'major party candidate' means a Presidential candidate of a political party that has received 25 percent or more of the total number of popular votes received by all candidates for such office in the preceding election, who appears as a candidate for President on the general election ballot;

"(2) national party committee" means the committee organization of a political party of a major party candidate; and

"(3) 'transition planning' means—

"(A) the development of a personnel process for use in the transition for the recruitment, selection, clearance, and orientation of Presidential appointees to executive level positions as defined pursuant to section 5311(b)(2) of title 5, United States Code;

"(B) the establishment of a transition organization and operating plan;

"(C) the identification of potential transition personnel; and

"(D) liaison with the General Services Administration, the Office of Personnel Management, the National Archives and Records Administration, and other Federal departments and agencies regarding preparation of the President-elect or the Vice President-elect for the assumption of official duties as President and Vice President.

"REIMBURSEMENT OF TRANSITION EXPENSES TO BE PROVIDED TO NATIONAL PARTY COMMITTEE

"SEC. 6. (a) Subject to the provisions of section 5(b), the Administrator is authorized to provide, funds to each national party committee of a major party candidate as defined in section 5(c)(1), for reimbursement of transition planning as defined in section 5(c)(3) and transition expenses as described in subsection (b). The Administrator shall determine the amount of reimbursement necessary to carry out such planning upon the request of, and after consultation with, a national party committee.

"(b) Transition expenses under this section shall include expenses for—

"(1) suitable office space appropriately equipped with furniture, furnishings, office machines and equipment, and office supplies at such place or places within the United States as the national party committee shall designate after consultation with the Administrator;

"(2) the compensation of members of office staffs designated by a national party committee at rates determined by such committee not to exceed the rate provided for the grades of GS–18 under section 5332 of title 5, United States Code, except that no employee of any agency of any branch of the Government may be detailed to such staffs on a reimbursable or non-reimbursable basis; and

"(3) the procurement of services of experts or consultants or organizations thereof for a national party committee.

"(c) Funds provided under subsection (a) shall apply to transition expenses that occur—

"(1) no earlier than 14 days following the termination of the nominating convention of the applicable political party; and

"(2) no later than one day following the date of the general elections held to determine the electors of the President and the Vice President.

"(d) A national party committee may designate the major party candidate as the agent of the committee authorized to make such determinations and perform such functions as may be provided in connection with transition expenses and reimbursement under this section. In the case of such designation by the national party committee, the candidate may delegate any authority exercised under this section to an assistant.

"DISCLOSURE OF PRIVATE TRANSITION PLANNING FUNDS

"SEC. 7. (a)(1) The national party committees or designees of such committees (as a condition for receiving funds pursuant to sections 5 and 6) shall disclose to the Administrator the date of contribution, source, amount, and expenditure thereof of all private money (including currency of the United States or of any foreign nation, checks, money orders, or any other negotiable instruments payable on demand) received for the purposes of transition planning.

"(2) Disclosures made under paragraph (1) shall be—

"(A) in the form of a report to the Administrator within 90 days after the date of the general election held to determine the electors of the President and the Vice President; and

"(B) made available to the public by the Administrator upon receipt by the Administrator.

"(b)(1) The President-elect and Vice President-elect (as a condition for receiving services under section 3 and for funds provided under section 9(a)(1)) shall disclose to the Administrator the date of contribution, source, amount, and expenditure thereof of all private money (including currency of the United States and of any foreign nation, checks, money orders, or any other negotiable instruments payable on demand) received either before or after the date of the general election for use in the preparation of the President-elect or Vice President-elect for the assumption of official duties as President or Vice President.

"(2) Disclosures made under paragraph (1) shall be—

"(A) in the form of a report to the Administrator within 90 days after the inauguration of the President-elect as President and the Vice President-elect as Vice President; and

"(B) made available to the public by the Administrator upon receipt by the Administrator.

"DISCLOSURE OF REPRESENTATIVES OF THE PRESIDENT-ELECT AND VICE PRESIDENT-ELECT DURING TRANSITION

"SEC. 8. (a) The President-elect and Vice President-elect (as a condition for receiving services provided under section 3 and funds provided under section 9(a)(1)) shall disclose to the public a list of the names, most recent employment, and sources of funding which support the transition activities of all transition personnel (full-time or part-time, public or private, or volunteer) who are members of the President-elect or Vice President-elect's Federal department or agency transition teams.

"(b) Disclosures under subsection (a) shall be made public before the initial transition team contact with a Federal department or agency and shall be updated as necessary.".

LIMITATION ON EXPENDITURES OF CERTAIN FUNDS

SEC. 6. (a) Section 3(a)(4) of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) is amended—

(1) by inserting "(A)" after "(4)";

(2) by adding at the end thereof the following new subparagraph:

"(B) When requested by the President-elect or Vice President-elect or their designee, and approved by the President, Government aircraft may be provided for transition purposes on a reimbursable basis; when requested by the President-elect, the Vice President-elect, or the designee of the President-elect or Vice President-elect, aircraft may be chartered for transition purposes, any collections from the Secret Service, press, or others occupying space on chartered aircraft shall be deposited to the credit of the appropriations made under section 9 of this Act;".

(b) Section 3(b) of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) is amended to read as follows:

"(b) The Administrator may not expend funds for the provision of services and facilities under section 3 of this Act in connection with any obligations incurred by the President-elect or Vice President-elect—

"(1) before the day following the date of the general elections held to determine the electors of President and Vice President under sections 1 or 2 of title 3, United States Code; or

"(2) after 30 days after the date of the inauguration of the President-elect as President and the inauguration of the Vice President-elect as Vice President.".

(c) Section 4 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) is amended—

(A) by inserting "(a)" after the section designation, and

(B) by adding at the end thereof the following new subsection:

"(b) The Administrator may obligate funds for the purposes of this section for a President and Vice President during a period to begin not more than 30 days before the expiration of their terms of office as President and Vice President.".

TRANSPORTATION EXPENSES

SEC. 7. Section 5723 of title 5, United States Code, is amended by adding at the end thereof "The provisions of paragraph (2) shall apply to any individual performing transition activities under section 3 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) from the place of residence of such individual at the time following the most recent general elections held to elect the President, to the assigned duty station of such individual.".

EXECUTIVE AGENCY VACANCIES

SEC. 8. (a)(1) Section 3345 of title 5, United States Code, is amended by striking out "Executive department" and inserting in lieu thereof "Executive agency".

(2) The heading for section 3345 of title 5, United States Code, is amended to read as follows:

"§ 3345. Details; to office of head of Executive agency or military department".

(3) The table of section headings for chapter 33 of title 5, United States Code, is amended by amending the item relating to section 3345 to read as follows:

"3345. Details; to office of head of Executive agency or military department."

(b) Section 3348 of title 5, United States Code, is amended to read as follows:

"§ 3348. Details; limited in time

"A vacancy caused by death or resignation may be filled temporarily under section 3345, 3346, or 3347 of this title for not more than 120 days, unless a nomination to fill such vacancy has been submitted to the Senate in which case the person so designated may serve—

"(1) until the Senate confirms the nomination;

"(2) for no more than 30 days after the date that the Senate rejects the nomination; or

"(3) if designated when the Congress has adjourned sine die or at the end of a session, for no more than 120 days after the Congress next reconvenes.".

September 17, 1987

STATEMENT OF CONGRESSMAN DANTE B. FASCELL (D.- FLA.) BEFORE THE SENATE GOVERNMENTAL AFFAIRS COMMITTEE ON PRESIDENTIAL TRANSITION EFFECTIVENESS

Mr. Chairman and members of the Committee, I am pleased to join you today and I commend you for holding this hearing on the effectiveness of the Presidential Transition Act. Very few adjustments have been made to this measure since it was enacted, and it is indeed time to review it.

I originally introduced the Presidential Transition Act on July 11, 1962, to carry out a recommendation made to the Congress by President Kennedy on May 29, 1962. President Kennedy's proposal stemmed from the study and report made by the President's Commission on Campaign Costs, a bipartisan committee composed of members with varied and extensive experience in political finance.

Prior to the enactment of this legislation, our political parties, for the most part, paid the costs of the President-elect and the Vice

President-elect during the time between the election and the inauguration of the new administration. In addition, numerous expenses were paid out of the pcokets of the Presidents-elect and their associates, sometimes at great personal sacrifice. However, it was strongly felt that once a new administration has been elected, the costs necessary to effect an orderly transition within our government were no longer partisan. The size and complexity of the Federal government in 1962, to say nothing of today, made it a vital necessity that the transition of administrations be as smooth as possible so that the new President could begin dealing with our difficult domestic and international problems immediately upon taking office. The information necessary to accomplish this can only be provided by the outgoing administration. This is a legitimate function of government and a legitimate expense of government.

Both President Eisenhower and President Kennedy received the cooperation of their predecessors as well as access to needed information prior to their taking office. But, such cooperation was not mandated, and it was always possible that such cooperation and exchange of information might not be forthcoming at some point in the future. Rather than leave such a vitally important matter to the discretion of the individuals involved, I believed it was much wiser to establish a formal transition process supported by law.

Further, the orderly transfer of power between administrations is a matter of national interest. As I said when introducing this measure in the 88th Congress, "The use of political party funds for such an activity is not desirable. Nor can we escape the fact there is a lack of dignity in a system which requires party solicitors to seek out private funds to support the necessary activities of the President-elect of the United States."

These, then, were my views when we enacted this legislation. Looking at the Presidential Transition Act over twenty years later, I still believe that we were correct to institutionalize an orderly transition between out-going and in-coming administrations. Providing federal funds for this purpose is a legitimate government expense. However, I am concerned about the dollar amounts of private funds that have once again found their way into the transition process. This particular point is even more keenly felt today when enormous sums of money are raised and spent on elections in a very much routine manner. We are again faced with, at least, the appearance of a President-elect asking for money for a legitimate government function and, even worse, the possible misintrepretation of the donation of large sums of money from individuals for transition functions, if such individuals later serve in the Administration. Additionally, if you have a large number of unpaid volunteers taking part in the transition, you have no control. Such volunteers, no matter how well meaning, are not subject to the same ethical constraints that those individuals on the federal payroll are. I believe we have to do something to counter this, and, quite candidly, I am not sure what the best answer is, but I hope that your hearings will provide us with some insight.

I have reviewed your discussion draft, and I certainly agree that one of the first steps to take is to increase the amount of funds available for implementing the Act. There is no way to preclude the use of private funds if we do not provide adequate public funding. In addition, I believe you have to very clearly define exactly what the transition funds are to be used for since you have a number of concurrent activities -- post-campaign, transition, and inaugural -- in a very tight time frame. You might have to go further and define what private funds can or cannot be used for.

The proposal to require that the President-elect not accept private funds for his transition in order to receive public funds under the Presidential Transition Act has a great deal of merit. You obviously have to make it voluntary, but, again, the key is to provide adequate public funding.

I don't envy you your task in refining this legislation, but I certainly wish you well because it is important to do so.

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STATEMENT OF WILLIAM E. TIMMONS
PREPARED FOR THE COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
SEPTEMBER 17, 1987

I am William E. Timmons, Chairman of the Executive Committee of Timmons and Company, Inc., a Washington based consulting company engaged in representation of United States corporations and associations in general governmental affairs.

I was one of the Deputy Directors of the 1980-81 presidential Transition of Ronald Reagan. In addition, I was involved in the 1968-69 Transition of President-Elect Richard Nixon.

Few recurring periods in American history are as important as presidential Transitions, yet surprising little information is available on their operations, composition, and structure.

Therefore, I applaud the Chairman, Members of this Committee, and its staff for focusing on this vital aspect of our national government. I hope the information gathered through this Hearing, as well as data secured from other sources, will enable you to produce a comprehensive body of law to assist future Presidents-Elect in managing their transitions from political candidate to chief executive of the government.

I suspect that Transitions, such as we have in the United States, are unique in the world. The orderly transfer of authority is accepted and expected in our country. Many people in other nations do not accept the legitimacy of their new leaders, much less any form of peaceful transition.

In considering changes in the Presidential Transition Act it should be clear at the outset that the incumbent President retains all the rights and obligations of his position under The Constitution until he leaves office on Inaugural Day. Therefore, any particular Transition can only be as successful as the President - and the President-Elect - are determined to make it. They set the tone for their followers and the Nation to accept the transfer of government power. Happily both parties in recent Transitions have cooperated fully.

As I understand the Committee on Governmental Affairs current inquiry, several Transition aspects are being studied. One is the funding for Presidents-Elect which includes support for Vice Presidents-Elect. Considering the amount of federal monies appropriated for presidential primaries, conventions, general election, and Inaugurations funding for Transitions is woefully inadequate.

The federal government supports presidential candidates in the primary period through qualified matching monies; it underwrites both major parties' national nominating conventions; and, of course, funds presidential aspirants' general election campaigns. In addition, the government finances Inaugurations for new Presidents.

The allocated two million dollars stretches thin when one considers the needs of a Transition: Personal support for the President-Elect and Vice President-Elect, including their travel, possible office expenses in their home town while they prepare to move, and considerable staff assistance. Reviewing the backgrounds of thousands of candidates interested in joining a new Administration; the press relations operations which attempt to fulfill the public's thirst for information on the new Head of State and his emerging Administration; policy preparations for the new team to carry out the mandate of the electorate; and the immediate attention that must be given the Federal Budget --

all consume time, energy, and manpower. In addition, there are requirements to consult Congress and explore with each Department and Agency its budget, personnel, policies, and legislative priorities that are essential for the new Chief Executive to efficiently carry out his responsibilities I do not know exactly what the appropriate funding level should be since each successful candidate will have different requirements. However, I do support the proposition of substantially increasing the funds made available, tied to a cost-of-living escalator, and "draw-down" rights for qualified candidates during the general election period. This drawing right would be used for early research and planning for the transition itself and would be constructive in defining goals, identifying key personnel, setting timetables, and arranging the multitude of logistical details which will be required for a successful candidate. It would help avoid the confusion and turmoil of the first few transition weeks.

Care, of course, must be taken that these funds are not used to further the campaign of any candidate, either directly or indirectly. For example, it is likely that a candidate will wish several of his key campaign staff to be involved in Transition planning. Safeguards are necessary to avoid these federal funds becoming in any way mixed with election activities.

It is burdensome to close out all Transition accounts on Inauguration Day. There may be a need to make obligations after that date to terminate Transition operations. Therefore, I recommend several weeks be allowed to shut down the office and pay the bills.

With adequate funding and the pre-election "draw-down" it should be unnecessary for future Presidents-Elect to depend on separate private fundraising to support their Transitions. However, I urge the

the Committee will not consider expert staff support - by either volunteers or $1 a year personnel - as private contributions for the purposes of the Transition Act. Nor should Academia, Foundations, and various independent groups be prohibited from contributing ideas in the form of studies, position papers, and the like. There are many individuals and organizations, experienced and talented in various aspects of government, that can contribute their expertise to Transitions without meaningful compensation. Some of these experts are not in a position to leave their current employment for short-term government service, but their activities benefit the President-Elect and the Nation through their "in-kind" contributions.

Special attention should be given to the issue of reimbursable versus non-reimbursable expenses. Certain facilities and personnel under the control of the President-Elect are reimbursable and should be committed against the Presidential Transition Account. However, it seems to me that other facilities and personnel under the control of the incumbent President should not be reimbursable. For example, if a Cabinet officer assigns a room and several Administration officials in his department to the Transition team, these costs should not be allocated to the Transition. They are given by the Cabinet officer and can be removed since he controls the space and personnel. Normal operating expenses at the agency - telephone, typewriter, and the like - fall in the same category and are expressions of cooperation. Along with this need for transition assistance in the departments is the possibility of an existing Cabinet Member placing several individuals on the government consulting rolls who are recommended by the new Cabinet Officer-Designate. Again, these personnal are under the control of the incumbent Cabinet Member and should not be carried as a reimbursable expense to the Transition. It clearly is helpful for a new officer to have a few people in whom he has confidence establish a liaison office within the Department. They perform a variety of functions, not the least of which is to start preparation for the nominee's confirmation hearing. They are subject to the same ethics, privacy, and secrecy laws as any other federal employee.

Access to professional staff in the Office of Management and Budget is critical to an incoming President who must prepare a Budget for submission to Congress with precious short time. Moreover, I support legislation which would allow earlier Budget submission by the outgoing President and delay submission of the new President's Budget so that it can be more realistic and accurate as to his plans.

Any new law should make it clear that Transition staff have access to independent agencies and regulatory commissions as well as the regular Executive Departments. These liaison teams should be limited to budget, personnel, and policy issues in which the President-Elect has a need to know. However, they should not have access to ongoing specific cases in the agency, particular adjudications, or proprietary data.

Also, it would be helpful if there were a clear expression that congressional staffs could perform advisory roles to the President-Elect's transition teams. I do not think this damages the concept of separation of powers. Congress represents a vast reservoir of experience and knowledge that can be immensely helpful to the Transition.

In the past there has existed some confusion over exactly who exercises control within Departments of government as Cabinet officers and many subcabinet officials depart for the private sector.

Mr. Chairman, there are a number of other areas worth exploration by this Committee. Some of them are per diem rates, authorized travel, President-Elect's and Vice President-Elect's moving expenses, government grants made after the election, conversion of political appointees to career positions, and the delicate issue of international contacts by the President-Elect during the interregnum.

I am confident your Committee will produce a hearing record and legislation which will benefit future Presidents-Elect and the Nation.

Thank you.

STATEMENT OF WILLIAM TUCKER
PREPARED FOR THE COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
Thursday, September 17, 1987

I am William Tucker, President of Tucker and Associates a Washington and Denver based consultant, and lobbying company engaged in representation of corporations and associations in international trade and governmental affairs in addition to political fundraising and consultation.

During the presidential transition of Ronald Reagan, I served in the General Counsel's office, and in the White House Counsel's office during part of the first term of the Reagan-Bush Administration.

I was asked by President Reagan and Ed Meese, the Director of the Transition, to compile a report on the Transition. There have been no prior written records compiled of a transition by the people involved in the history of our country, and the Reagan-Bush Administration felt that time and effort could be saved for future administrations, if some type of written record of the Transition was compiled. The team was selected by me in consultation with Ed Meese and a report compiled on the Transition of both the President and the First Lady.

The Transition and changing of power in one of the most important and powerful countries in the world is a critical and important moment in our history, yet very little has been written about or compiled on prior Transitions.

The Chairman, the members of this committee, ar[illegible] staff are to be commended for bringing congressional focus on the subject, and I am sure that the results will be helpful to future Transitions.

I have had the good fortune to observe elections and the transition of governments in other countries, including a member of the International Team of Observers to the

Philippine elections in 1986, and the Transition of government in our country is truly a miracle, and one that much more attention should be focused on.

We attempted to approached the compiling of the Transition Report with two thoughts foremost in mind:

1. Constitutionally, the President-Elect has no power to act or assume the reins of government until he has been sworn in, and this of course should be strictly observed. The outgoing President is the Constitutional, and legitimate head of the government until the new president is sworn in, and nothing during the Transition should disrupt this Constitutional flow of power from the old to the new Administration.
2. Even though most of the activity of future Transitions will be very similar to the Reagan-Bush Transition and many of the same problems will be encountered by any incoming and outgoing Administration, it should be kept in mind that the transition of future Administrations should reflect the personality and will of thePresident-Elect who has been elected by the people, and any Transition booklet should not be a "cook book" on how to do a Presidential Transition.

I will comment on several aspects of a Transition which I understand is under consideration by this committee.

FUNDING

The Federal Government currently appropriates funds for Presidential Primaries, National Conventions, the General Election, Presidential Transitions, and Inaugurations, so it is deeply involved in the Presidential Process.

The cost of a Presidental Transition has gone from approximately $200,00 in the Truman-Eisenhower Transition in 1952-1953 to in excess of ~~three~~ Two million dollars, which was spent during the Reagan-Bush Transition. Reagan-Bush spent essentially the two million dollars that was appropriated by the 1963 Transition Act as amended, plus additional funds that were raised privately. President Carter and Vice PRESIDENT Mondale spent approximately the one million which was allocated for the outgoing President and Vice President.

The Presidental Transition Action Act of 1963 established a fund of $900,000 to be shared by the incoming and outgoing Administrations. The 1963 Transition Act was amended in 1976, and increased the amount appropriated for each Transition from $900,000 to 3 million dollars. Two million dollars was reserved for the services and facilities to be provided for the President-Elect, and Vice President-Elect, and one million dollars for the services and facilities to be provided to the outgoing President and vice President.

It has been over 10 years since the amount allocated to the Transition effort has been reviewed by Congress, and the cost of Transitions have escalated during this period of time, due to the increase in the size of the government, increase in prices in almost all aspects, and the complexity of the Transition itself.

The current funds are not adequate to prepare the President-Elect, his cabinet and key aides to assume the leadership in the government to which they have been elected, and carry out the will of the people at the earliest possible time. As a result, it has been necessary to raise private funds for a number of reasons, but two of the major reasons are:

1. The current level of funding by the Federal Government is not adequate. e.g.

2. The time-frame (approximately 70 days) simply does not provide the President-Elect Transition Team with the luxury of doing everything under the rules applicable to seasoned and experienced federal employees.

- Travel schedules during a transition are hectic, and much like a campaign, and simply cannot be planned to accommodate the time lag in purchasing tickets through the normal government bureaucracy.

- Printing, because of the short time frame of the Tranistion, is not compatible with the schedule of GPO.

- Most of the cost incurred during the Transition are incurred in a very short period without a tremendous amount of lead time on when and how those expenses will be incurred.

Providing Federal funding, and prohibiting private funding is a delicate and troublesome problem. The level of funding is the major factor in determining the effectiveness of the Tranistion. The President-Elect should not be limited in the funding to the detriment of having an effective transition.

It is recommended that the committee consider appropriating whatever funds it deems adequate to the incoming and outgoing administrations to be used for the purposes set out in the Act, but that the normal restrictions on the expenditure of the funds not apply to the Transition. The President-Elect, the outgoing President, and their appropriate designees can be held responsible to see that the funds are spent for legitimate purposes and within the purview of the legislation. An audit can be conducted at the conclusion of the Transition and after all invoices have been paid to satisfy Congress on the proper expenditure of the funds.

It is also recommended that some funding be allocated to Presidental Candidates to start a Transition process prior to the election itself. This may be difficult legally to limit to the two major party Candidates as other Candidates such as Congressman Anderson in 1976, and Governor George Wallace in prior years qualified for matching federal funds during the campaign and could probably make a strong argument that they were entitled to plan for a Transition also. It is possible that some guidelines could be set for candidates other than major party candidates that would be sustained in court.

Moving expenses for certain personnel designated by the President-Elect and outgoing President should be authorized, and the moving expenses of the President-Elect and Vice President-Elect should be authorized to be paid out of funds appropriated by the government. This is fairly common among corporate personnel, and should apply to the highest elected officials of our country.

If adequate funding is appropriated by Congress, and restrictions are lifted on the expenditures of the funds, then it will probably not be necessary to raise private funds, but private funds should be allowed to be utilized, unless this is done. If private funds are utilized an audit may be required to determine that the funds were used for legitimate transition purposes. In addition, the Transition should be able to utilized one dollar a year individuals, or people who are willing to volunteer their time to the Transition effort.

The Congress should not prohibit support by the academic community foundations, independent groups and etc., to the Transition with personnel, studies, position, papers, and other information.

The cost of office space, furniture, equipment, etc., that is available to GSA should not be charged against the money allocated to the President-Elect. Space that is allocated in the various agencies for the Transition Team members should also not be charged against the budget of the Transition. This results in very complicated accounting procedure, and probably consumes more man-hours in attempting to allocate the cost than it is worth. The variouus Departments and Agencies have the option of allowing Transition Team members to use whatever space is availabe in the Department or Agency, and if the space is available, it makes little sense to attempt to allocate cost to this space.

BUDGET

The budget prepared by OMB is always a source of considerable anxiety between the incoming and outgoing Administration. On the one hand, the incoming Administration has no legal or constitutional authority to dictate what will go into the budget, and the process is so complex, and complicated that it has to take place over a considerable period of time. The presidential campaigns should have access to the professional staff in the Office of Management and Budget, so that they would be as familiar with the budget as possible, and/or the time frame for the President-Elect to submit his budget, should be delayed so that the budget can be a more accurate reflection of what the President-Elect intends to do during his first year in office.

ACCESS TO DEPARTMENT INDEPENDENT AGENCIES, REGULATORY COMMISSIONS AND EXECUTIVE DEPARTMENT

The Transition Team members of the President-Elect should clearly be given acces under the law to budget pesonnel and policy issues, in which the President-Elect has a need to know what is going on in these agencies, but because the Transition Team members are not federal employees, they should not have access to ongoing specific cases in the agency, adjudications, or proprietary data.

CONGRESSIONAL STAFF

A question arose during the Reagan-Bush Transition on the role of Congressional staff working in the Transition, and whether this was a conflict with the separation of powers under the Constitution. It is certainly an area in which we must be careful, but the administration must establish Congressinoal liaison offices with the Congress, and Congressional Staffers can play a vital role in an advisory capacity to the President-Elect Transition team. The knowledge, experience and continuity of Congressional staff can be of immense value to the President-Elect and his team.

OFFICE OF PERSONNEL MANAGEMENT

There is always a fear that the outgoing Administration is transferring non-career and schedule C personnel to career civil service status. In order to dispell this fear, and souce of anxiety between the two administrations, a freeze should probably be placed on such transfers at some point in time, prior to the outgoing administration leaving office to be lifted by the incoming President.

REVIEW OF REGULATORY MATTERS

Although there is concern by an incoming administration that the outgoing administration is adopting regulations which do not reflect the policy of the incoming administration, and this question should be addressed in some way, it may be difficult to legally separate what should be done, and what should not be done. There are legitimate items that are in process which should be acted on by the outgoing administration for the good of the public and the nation, and there should not be any interference with this process. One way to address this problem is to require all regulations within the last six (6) or nine (9) months of an administration be explicitly approved by the appropriate Department or Agency Head and the President.

Testimony of
Paul H. O'Neill
Chairman and Chief Executive Officer
Aluminum Company of America
Before the Committee on Governmental Affairs
United States Senate
September 17, 1987

Senator Glenn, members of the Committee, I am Paul O'Neill, Chairman and CEO of Alcoa. I am also a former staff member of the Office of Management and Budget (from January 1967 until January 1977). I was involved in three presidential transitions during my term with OMB -- the transitions between President Johnson and President Nixon; between President Nixon and President Ford, and between President Ford and President Carter.

In my judgment, the most delicate time in the governance of our republic occurs at the time of Presidential transition. Even though it is often true that an incoming President has had broad experience in government, thousands of policymaking jobs change hands in the process of a Presidential transition. While the caliber of the new policy makers may be generally high, they have limited knowledge of the full range of issues they will confront and no experience working together as a team. In effect, for a period of three to six months, we have government by novices. So I applaud you for addressing some of the issues inherent in every transition.

I would be pleased to discuss any aspect of the Presidential transition process you choose to pursue, but I would like to offer a specific idea for your consideration.

The idea is this.

Modify the current budget and legislative process to provide in Presidential election years that the incumbent President submit a current services budget on October 15 -- before the election. If the incumbent President loses the election or retires automatically (as President Reagan will do), the incumbent would be prohibited from submitting anything other than emergency budget and legislative requests for the period between election day and inauguration day.

There would be no budget or legislative submission from the incumbent President for the upcoming fiscal year.

This change in procedure would have the effect of freeing the career programatic, analytic and budget staff people to:

-- prepare issue briefing documents for the incoming President and staff;

-- begin working with the new President and staff on budget and legislative recommendations to modify the current services base provided by the outgoing President on October 15.

Changing the process in this way would give a newly elected President a much improved basis for preparing his own program as compared to present practice and could also, I believe, reduce the amount of transition funding required for a new President.

I would be pleased to respond to any questions you and the Committee may have on this idea or other matters related to Presidential transition.

Statement of Carl M. Brauer and Winthrop Knowlton before U. S. Senate Committee on Governmental Affairs, Hearing on Presidential Transitions Effectiveness Act, September 17, 1987.

First, we would very much like to thank Senator Glenn and the Committee on Governmental Affairs for the opportunity to testify. We compliment the committee for its foresight in examining ways to improve the transition process. In the United States, we pay an extraordinary amount of attention and devote enormous resources to getting someone elected president, but we pay relatively little attention and devote scant public resources to helping him or her get off to a good start once that person is elected president. We therefore applaud the committee for holding hearings aimed at improving the way presidential transitions are conducted and at helping the next president get off to the best possible start.

We have read with great interest the draft outline of specifications for legislation to improve the Presidential Transitions Act. We find merit in many of the committee's ideas, which we would like to amplify on shortly. We will also urge the committee to cast its net more widely not only with respect to the subject of transition legislation per se, but with respect to ethics legislation and compensation, both of which directly impinge upon a president's ability to attract outstanding individuals to the executive branch and retain them long enough to perform effectively and implement administration policy.

Before we get to our specific recommendations, however, we thought we should explain who we are and on how we have arrived at the views we are expressing today. One of us, Carl Brauer, is a historian whose research has focussed on the modern presidency and public policy. For the past two and a half years, he has been director of the Public/Private Careers Project at the Center for Business and Government at Harvard University's John F. Kennedy School of Government. His most recent book, Presidential Transitions: Eisenhower through Reagan, was published in 1986 by Oxford University Press. It is an interpretive history of how five newly-elected presidents, Eisenhower, Kennedy, Nixon, Carter, and Reagan, went about creating their administrations and how they got they started in office. It examines the interregnum periods in some detail, while also looking at the long-term consequences of the early personnel, policy, and organizational decisions of newly-elected presidents.

Winthrop Knowlton left a successful Wall Street career to join Lyndon Johnson's Great Society, eventually becoming Assistant Secretary of Treasury for International Affairs. Following government service, he went into publishing where he was for eleveny years the Chief Executive Officer of Harper & Row. For the past five years -- and until two and a half weeks ago -- he was the first director of the Center for Business and Government at Harvard University's John F. Kennedy School of Government where he was also the Luce Professor of Ethics, Business & Public Policy. He is now a Fellow of the Center for Business and Government and president of Knowlton Associates, Inc., of Cambridge, a consulting firm.

We have been close collaboraters on the Public/Private Careers Project which was established in 1985 by the Center for Business and Government. The project was conceived out of the conviction that the ready availability of some of our ablest men and women for public service in careers of limited but meaningful duration is one of the strengths of our society. Three assumptions animated the project's creation: (1) the public and private sectors must work together more effectively if the United States is to succeed in solving its major problems; (2) the movement of able executives and professionals between the sectors is an important building block of improved understanding and a more productive relationship between the sectors; and (3) a number of barriers--financial, institutional, and cultural--have been erected in recent years to make such movement more difficult than before.

The project has been and is chaired by Henry H. Fowler, a distinguished citizen who has served presidents of both parties from Franklin D. Roosevelt on, and who was Secretary of Treasury from 1965 to 1968. In his private career, he has been a highly respected member of the Washington bar and a prominent investment banker in New York with Goldman Sachs. Mr. Fowler regrets that he is unable to be here today to testify with us.

During the first two years of its life, the Public/Private Careers Project set about to test whether its beginning assumptions were sound, and, if so, what could be done to improve the situation. Hundreds of knowledgeable people, from all levels of government, from business, and from the professions were engaged in discussions which took a variety of forms--individual conversations and correspondence, small group discussions in various cities, larger meetings in New York, Cambridge, and Washington.

The project participated in and cooperated with related efforts--the Presidential Appointee Project of the National Academy of Public Administration; the Conference on Public Service in the

Year 2000 jointly sponsored by the American Enterprise Institute and the Brookings Institution (which helped set the stage for the recently announced National Commission on the Public Service, which is being chaired by Paul Volcker); and the work of the Center for Excellence in Government.

The research findings of the Presidential Appointee Project were particularly useful and valuable in documenting current difficulties with the "in-and-outer" system at the federal level. Tenure is down and turnover is up--Lyndon Johnson's senior appointees served 2.8 years on average while Ronald Reagan's served 2.0 years; a third of all appointees over the last twenty years have served 1.5 years or less. Today's appointees have less government experience than their counterparts twenty years ago. Political or ideological considerations, however, weigh more heavily in why they are selected. Recruitment of presidential appointees has become more difficult and, once chosen, appointees take longer to get on the job. Only twenty percent of appointees receive a formal orientation to their new positions. The financial sacrifices associated with public service have become greater, and in recent years, compliance with financial disclosure requirements has become daunting.

The original convictions of the project's founders were thus emphatically confirmed, though certain aspects of the problem, such as the relative quality and motives of today's public servants, are extremely difficult to measure objectively. It became clear as well that beyond any questions of business/government personnel movements and relations, there was a larger, quiet crisis of public service, which had many manifestations--declining interest on the part of young people in government careers; a socially-accepted emphasis on private gain, ambition, and success; a dispirited, undernourished, and aging civil service; and indifference toward the problems of public service by the leaders of American society. While some of these problems may be cyclical and, in a sense, self-correcting, others are clearly not.

With a presidential election just two years away, it seemed to us in mid-1986 that an opportune time had come to examine various aspects of the issue in greater depth and to see if solutions could be found. Five task forces were formed. Fred Fielding and Lloyd Cutler, co-chaired a task force on ethics in government issues, which, in turn, had four subcommittees (on one of which Stuart Eizenstat, one of our fellow witnesses this morning ably served); Anne Wexler headed a task force on public education; Roger Porter directed a task force on recruitment, orientation, and transition (on which Paul O'Neill, whom we are also pleased to see as a witness this morning, served); and Winthrop Knowlton and William M. Batten co-chaired a task force on private sector attitudes toward public service. Over forty people, embodying a wealth of experience in government and in the private sector, served on these groups.

The task forces reported on their findings and recommendations at a day-long meeting at the Woodrow Wilson Center in Washington on May 6, 1987. Prior to and following that meeting, the project sent a questionnaire to two hundred interested and knowledgeable individuals, including all participants in the meeting. They were asked their opinions on the desirability and feasibility of forty-nine ideas, which had percolated up from from the task forces and from other discussions. The ideas fell into two broad categories: institutional changes that could be made over the next year and a half to help the next president attract and retain outstanding people; and educational efforts which could begin now but which would require a long-term commitment and involvement. The (shorter-term) institutional changes were addressed primarily at the high level "in-and-outer" problem. The (longer-term) educational recommendations were addressed both to that issue and to the broader crisis of attitude toward public service in general in the United States.

On the basis of responses to this questionnaire, task force recommendations, and additional consultations, the project drafted fifteen specific recommendations in the summer of 1987, which it sent to two-hundred of its participants in mid-August for comment and possible endorsement. Their response has been overwhelmingly favorable and supportive. As of September 9, a hundred and twenty-two people, representing a wealth of experience in government, business, and the professions, had written or called and offered to lend their names as endorsers of the draft report and recommendations as a whole. Among the signers have been a dozen former Cabinet members, former members of Congress, numerous former and some current presidential appointees in departments, agencies, and regulatorycommissions, and many business leaders and eminent members of the bar. The endorsers include Democrats, Republicans, and independents, and they represent service to Presidents from Roosevelt through Reagan. In the near future, we will be publishing the report and a list of endorsers and announcing steps we are taking toward implementation of its recommendations.

In several important respects the committee's draft specifications parallel our own recommendations, four of which pertain directly to presidential transitions. We think it is very important that transition planning begin in the summer and not await the outcome of the general election, for experience has shown that the job of finding highly qualified people to serve in top positions in the executive branch requires more time than the mere ten weeks that fall between election day and Inauguration. Experience has also shown that presidential candidates are reluctant to spend precious campaign funds on transition planning; and they worry as well about appearing presumptuous in beginning to plan for an administration before they are elected. It is a good idea, therefore, to make transition funds, not campaign funds, available to both major party nominees for transition planning. That will encourage an earlier start to transition planning and will remove practical and political objections to pre-election planning.

We agree with your idea of requiring the Office of Personnel Management to provide a job description statement for all Executive Level I-V positions to major party nominees. We would like to suggest, however, that in personnel planning for a new administration there is other information that could also be helpful, including a listing of statutory and administrative responsibilities, congressional reporting requirements, budgetary histories, and a list of the names, address, and terms of service of living incumbents of these offices. The perspective of former incumbents can be particularly helpful in the search process. Prospective and new appointees can also benefit from talking to their predecessors. So we would urge you to broaden the kind of information that is required to be gathered and made available to major party nominees as part of transition planning.

At the start of an administration, the need for background investigations of prospective appointees by the Federal Bureau of Investigation has sometimes caused unnecessary delays in making appointments. Therefore, we are glad that you would provide additional funds for FBI field investigations. But we would also like to suggest that "full field investigations" in some instances are more than is actually required -- a more focused and steamlined approach can suffice in these instances. Morever, appointees sometimes are given full field investigations that duplicate earlier investigations for previous appointments. It is important that FBI investigations be carried out in a timely fashion and that they also be relevant and not redundant.

We would now like to turn our attention to certain omissions from your specifications which we would urge you to consider. First, there is the matter of orientation. The Presidential Appointee Project of the National Academy of Public Administration revealed that eighty percent of presidential appointees receive no orientation of any kind at the time their appointments begin. In our view, all new appointees should receive careful and thorough orientation by the White House and by the departments and agencies they are joining. Orientation should constitute an important part of transition planning, and sufficient funds should be made available for it. Although the job of orienting its appointees is essentially one

belonging to the White House and the executive branch, the Congress should assure adequate funding for this purpose and should figure out ways of encouraging the executive branch to conduct orientation, which it has all too often ignored.

In contrast to Presidential transitions, ethics in government issues have for a long time attracted a good deal of attention and it is appropriate that they should. Recently there has been considerable interest in the Congress and within this committee about the functioning of ethics laws, particularly about post-employment regulations and enforcement. It is our view that the subject of ethics in government laws and rules is entirely germane to the effectiveness of presidential transitions, for such legislation and regulations affect a president's ability to recruit and retain outstanding appointees, people with the best qualifications and the greatest dedication to public service.

We are not proposing any fundamental changes in ethics in government legislation and regulations. In some areas, we see a need for strengthening the rules, in others for modifying, simplifying, clarifying, or updating them. Here is what we propose, much of which will require congressional action or approval:

1. A substantial majority of recent presidential appointees report difficulty in understanding and completing financial disclosure forms. The forms should be simplified, and discrepancies and redundancies between the requirements of the executive and legislative branches should be reduced. Income and property value categories should be compressed into two categories, one of less than $10,000 and one of more than $10,000. A uniform gift-reporting

threshold of $100 should he adopted and only liabilities over $10,000 should have to be reported and briefly described. Public filing should be required only of those individuals who occupy high-level or especially sensitive positions, including all Senate-confirmable positions. Career officials above the GS-16 level, including members of the Senior Executive Service, and most political appointees should only be required to file an abbreviated, confidential (non-public) financial report.

2. Divestiture of certain assets is sometimes necessary to prevent potential conflicts of interest. Officials who are required to divest must now pay taxes on the divested property, however, which places an additional and unintended burden on them for performing public service. In these cases, nontaxable roll-overs of divested property into blind trusts and/or diversified mutual funds should be allowed.

3. Enforcement of ethics laws, including financial disclosure and post-employment restrictions, has relied too heavily on criminal standards and penalties, which has had the effect of weakening enforcement. Civil penalties and administrative remedies should be relied upon, except in the most egregious cases of misstatement and misconduct.

4. Standards of conduct provisions are highly diffuse and out-of-date. The scattered statutory provisions governing the standards of conduct for government employees should be consolidated and updated and so should relevant Executive Orders.

5. Post-employment restrictions have been the subject of controversy and misunderstanding, particularly with regard to how the

one-year cooling off period pertains to high-ranking officials in the Executive Office of the President. A bright line should be drawn that precludes EOP employees compensated at or above a rate equivalent to Executive Level II from seeking substantive help or information from any employee of the EOP for one year after they have left the government.

We turn now to another matter that is germane to the next president's ability to recruit and retain outstanding appointees: compensation. The Presidential Appointee Project of the National Academy of Public Administration has shown that inadequate compensation contributes to high turnover among appointees. It also makes recruitment more difficult, not at the most visible levels of appointment among Cabinet members and senior members of the Executive Office of the President, but at the less visible levels of government -- assistant secretaries, deputy assistant secretaries, commissioners, and agency and division heads.

The pay increases which took effect this year are a step forward, but only a relatively small one. Under current law there will be a new pay commission appointed in October, 1988, which is required to report to the President by December 15. The president is required, in turn, to submit as part of his January 5, 1989 budget a recommendation based upon the commission's findings. Then of course it will be up to Congress to either let his recommendations take effect or vote to overturn them. We all know of the furor that took place earlier this year over the pay increase and we can well anticipate a repeat performance in 1989. Pay raises for elected officials are never popular and never easy to accomplish.

In frustration over Congress's reluctance to vote itself pay increases, which cap salaries in the other branches, many outside groups and individuals have proposed that the linkage between executive and judicial salaries and Congressional ones be severed. We are not here to advocate that -- we respect the historic rationale for linking the salaries of the three co-equal branches and we are realists. But we would like to point out that there is a disparity between the branches on income supplementation. Congress allows itself to supplement its own salaries through honoraria and outside income which are disallowed in the other branches of government. It seems to us that Congress should either be prepared to bring its own income supplementation practices in line with the other branches or end linkage on salaries.

Our preference would be that linkage be maintained and that Congress should in early 1989 be prepared to accept higher salaries in exchange for the elimination of unseemly "back-door" compensation practices. That is not our original idea, we might note--it was proposed by the most recent Commission on Executive, Legislative, and Judicial Salaries. The only other way we can see out of the salary box is to index federal compensation, an idea which we think deserves study.

Finally, we would like to speak to several other points raised by the draft specifications. We share the view that transitions should be a public responsibility, publicly financed and accountable. We are concerned by the recent trends toward raising money privately for large transition teams which lack accountability. We would prefer that the next president he given adequate public funds and then be held accountable for how that money is spent. As to what constitutes an adequate amount of funding we are less sure--the $4 million figure given in the draft specifications certainly does not strike us as excessively large, given the size of the task. Indeed, to do a really first rate job in terms of having several hundred executives chosen, moved, oriented, and ready to go by the time of the Inauguration; of organizing a new administration and preparing it to deal with all the policy issues that will fall into its lap immediately upon taking office -- $4 million seems to us as a rather paltry sum.

Finally, without having studied the issue in great depth, we also like the idea of revising the budget process. Historically, presidents leaving office use their last budgets to make a statement, usually a political statement. There is nothing terrible about that except that it has tied up career budget officials for large amounts of time, time which could be better spent, in our view, helping the president who is about to take office. Your proposal that an outgoing president submit a current services budget and that the incoming president submit a full budget request therefore strikes us as a good alternative to current practice.

Once again we compliment the committee for its foresight. We thank it for the opportunity to testify and we would be very happy to respond to its questions.

TESTIMONY OF
STUART E. EIZENSTAT*

BEFORE

SENATE COMMITTEE ON
GOVERNMENTAL AFFAIRS

SEPTEMBER 17, 1987

WASHINGTON, D.C.

I applaud Senator Glenn's effort to focus attention on a long-neglected but vitally important institution, the presidential transition.

Having participated in a presidential transition both coming into the White House - 1976-1977 - as the director of policy planning, and leaving office - 1980-1981, I can attest to the importance of transitions to the success of a presidency.

Transitions are not simply rest stops before the real work is done. The fact is that some of the most critical decisions of an Administration are made before the President-elect is formally sworn into office.

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* Mr. Eizenstat is a partner in the Washington office at Powell, Goldstein, Frazer & Murphy and an Adjunct Lecturer at the John F. Kennedy School of Government of Harvard University. He was President Jimmy Carter's Chief Domestic Policy Adviser and Executive Director of the White House Domestic Policy Staff from 1977-1981. Mr. Eizenstat expresses his appreciation to Lisa Lubick for her research and assistance on this testimony.

For one thing, transitions are used by the President-elect and his top advisors to make the key appointments to the Cabinet, sub-Cabinet and White House staffs which will be so crucial the success of the Administration.

For another, transition staffs are organized by department to provide the incoming Cabinet Secretaries and their top aides with a sense of the President-elect's policy priorities as well as the necessary business which must be attended to in the early days of the Administration -- from budgets to reauthorizations for key programs administered by the department or agency.

Third, transitions are also used for setting a framework for decisions or for key decisions themselves. All Presidents want to appear bold and decisive in their early days in office to set a positive tone for their Administration.

This means that many of the fateful decisions announced in the opening weeks and months of an Administration are effectively made or set in motion during the transition period.

For example, some of the key bureacratic actions which led to President John Kennedy's decision to approve the Bay of Pigs invasion in Cuba in 1961 were taken during the transition. Yet the Kennedy Administration lacked a full understanding of what the outgoing Eisenhower Administration had in mind in training and equipping Cuban exiles.

In the Carter transition, the President decided in December, 1976, to make energy a key domestic priority and to announce that he would have a major energy plan for the United States within ninety (90) days of his inauguration, although energy had not been a major campaign issue. This transition decision proved particularly fateful, for it led to a hurried, not fully-considered comprehensive energy plan for which the Congress and the country were unprepared; which could not be digested by the legislative branch; and which led to an 18 month ordeal in which President Carter's leadership image with the Congress suffered.

In addition, President-elect Carter and his top economic advisors, together with the Democratic leadership of the House and Senate, made all the major decisions during the transition for the Administration's generally successful 1977 economic stimulus package.

So too, during the 1980-1981 Reagan transition many of the key budget and tax decisions were made which permitted President Reagan to move quickly with his package of tax and budget cuts in the first few months of his Administration. The decisions which have set this country on the course of mega-deficits were effectively made before President Reagan was inaugurated.

This has inherent dangers because transitions are generally chaotic, in part because of the scramble to raise private funds to support them, and in part because of the inevitable conflicts which arise between the victorious campaign staff and the experts-in-waiting seeking jobs and influence. Moreover, transitions do not provide the President-elect and Vice-President elect with the full resources of the government and all the data necessary for decisionmaking.

With admirable foresight, Jimmy Carter, when it appeared he had secured the Democratic nomination in 1976, established his own transition planning staff under Jack Watson, to prepare him, if elected, to be able to hit the ground running. There was friction between the transition staff and the campaign staff which had worked so long and hard to secure the candidate's election. This conflict continued right through the election and into the transition itself. Thus, even the vision shown by Jimmy Carter in setting in motion an advance planning mechanism was not without its difficulties.

Senator Glenn's proposal provides an opportunity to rectify weaknesses and problems inherent in transition periods. Senator Glenn has recognized the time and financial constraints placed on modern Presidents-elect in an increasingly complex economic and political arena. The proposed bill would reduce the burden of private fundraising and the potentially pernicious impact of those who contribute to transitions on the decisions of the newly elected team. I believe Congress should build on the opportunity afforded by Senator Glenn to work toward ensuring an institutional memory around the Presidency from one Administration to another. These recommendations are consonant with the purpose of the Presidential Transition Act of 1963 "to promote the orderly transfer of the executive authority."

There are two key aspects which must be present in creating a historical memory in the White House -- paper and people. One major disability during transitions is the absence of access by the incoming Administration to records, documents and key papers in the Executive Branch bureaucracy. For example, we were refused early access to the career civil servants at the Office of Management and Budget, and their data, by the Ford Administration, which was itself involved in preparing its final budget for submission in January, 1977.

Even more troubling is the absence of documents at the White House from the outgoing Administration, to which reference could be made on important decisions. It is crucial to assure continuity in record-keeping. For example, it is nearly impossible to envision a new corporate CEO confronting the same situation to each new President faces -- assuming the top position in his company with no available records of his predecessor's decisions and no background on those decisions; the offices he and his new team enter are empty of past memos and files on major events -- records which had been there the day before. Yet this is the situation faced by a new President and Vice President as they enter the White House. The former President has taken all of his papers to his Library -- every note and every memo. None are maintained or are readily accessible for his successor. A structure such as this makes it virtually impossible from the onset to instill an institutional memory and to make transitions effective.

Part of the solution is to implement responsible record-keeping practices. Presently, under the Presidential Records Act of 1978, paper produced in or entering the White House is classified as personal or Presidential in nature. All Presidential material later is categorized by the Archivist responsible for the care of the Presidential Papers. The Act provides an incumbent President an exception to the restricted access "when needed for official business and the information was not available from other sources". While the 1978 Act was a step forward in establishing ultimate public ownership of Presidential Papers, these non-personal documents are not maintained within the White House and are not immediately accessible for the new President and his advisors. Presidential material should be categorized as it is created so that it is readily and immediately available to the next President. Copies should be stored in the White House or an index made available of them to the new team. Presidents and public alike now wait several years for the publication of Presidential Papers. Instead, the new President should have access during his term to the background information of his predecessor's key decisions.

A second aspect of ensuring historical memory lies with the people in the Executive Office of the President. The United States is virtually unique in the extent to which we rely upon noncareer personnel to fill the top positions of our government. Political appointees, often new to Washington and to the political arena, are consumed with tackling a largely new work experience. The difficulties engendered by the reliance on political appointees and their lack of experience are exacerbated by the turnover in those positions. Forty-eight percent of appointees leave within two years (NAPA Study, 1985). "Because their time horizons are so short, the agendas of the highest ranking officials of the federal government are frequently dominated by immediate policy concerns. Long-term institutional maintenance and institutional development are not high priorities for most appointees. . . . All of this contributes to a persistent and damaging myopia." (NAPA, "Leadership in Jeopardy, Nov. 1985, p. 5)

With the exception of the permanent bureaucracy at the Office of Management and Budget and an occasional holdover on the staff of the National Security Council, there is an almost total and complete turnover in the foreign, domestic, economic and political staffs of the White House. There is almost no overlap of personnel between presidents, even down to secretaries. For example, the Reagan Administration dismissed almost all of the secretries on my Domestic Policy Staff. I firmly believe an incoming President needs trusted aides and advisors who share their ideology and can help impart the President's worldview to Cabinet departments notoriously driven by their bureaucracies and by the interests they serve. But there is an equal need for a leavening of the White House politial appointees with a small cadre of permanent civil servants who would help to provide the historical meaning and policy continuity so lacking in our system of government. They would form a White House Secretariat similiar to those which exist in the prime minister's office in many major democracies, such as Great Britian and Canada, to provide essential continuity. These staffs stay regardless of their prime minister's political party -- they serve the institution.

The need for a White House Secretariat is underscored by the increasing reliance Presidents place in their White House Staff at the expense of the line departments, which are the repositories of the government's institutional memory. For a variety of reasons, the historical memory of the agencies and department is no substitute for one in the White House. Presidents in modern times have grown to distrust agencies as constitutency-or turf-driven. Proper data often will not reach from the bowels of a department to the Oval Office.

Major decisions by recent Presidents demonstrate an ignorance of an issue's historical background -- of the lessons of another President's decisions.

Most recently, the Iran-Contra hearings have highlighted this endemic problem. Both Mr. Reagan and his N.S.C. staff failed to appreciate the lessons of the Carter Administration's mishaps with Iran: misunderstanding the nature of its revolutionary forces, the likelihood that secret negotiations would be leaked, the Iranian Government's inability to deliver on its premises, and the absence of real moderates with whom America could deal. In its policy decisions, the Reagan Administration appeared to know no more about Iran than its predecessor.

Jimmy Carter in 1977 failed to fully appreciate the ramifications of departing from the negotiating formula the Ford Administration worked out in 1974 with the USSR. Instead, Mr. Carter decided to offer the option of deep cuts in nuclear arms rather than consummate the agreement President Gerald R. Ford had almost finished. SALT II was thereby delayed for two years to a less accommodating political climate.

The Carter Administration overreacted to the "discovery" of a Soviet brigade in Cuba in 1979 -- a costly response that resulted from a blind spot in memory: John F. Kennedy sanctioned the presence of limited Soviet forces to help resolve the Cuban missile crisis.

Mr. Ford in 1975 suspended grain sales to the Soviet Union without recognizing the failure of Richard M. Nixon's soybean embargo; Mr. Carter's embargo on shipping grain to the Soviet Union in retaliation for the invasion of Afghanistan did not adequately consider Mr. Ford's failed effort. All demonstrated that embargoes of fungible products cannot be sustained.

The Kennedy Administration shocked Britain when, in ignorance of President Eisenhower's private pledge to provide the Skybolt missile as part of its independent nuclear deterrent, the sale was cancelled.

Lyndon B. Johnson's decison in 1965 to Americanize the Vietnam War was made with little historical analysis of France's experience in Indochina and Dwight D. Eisenhower unwillingness to commit American manpower there.

The Carter Administration's welfare reform proposal, which I coordinated, failed to take into account the reasons President Nixon's family assistance plan died a few years earlier.

Similarly, President Reagan's politically disastrous effort to cut Social Security benefits in 1981 ignored Mr. Carter's difficulties a year earlier.

Keeping the records in the White House will serve little purpose if there are not people able to use them. A Secretariat would supplement, not supplant, the White House political appointees. No one would provide a decision memo to the President without including its budget, economic and political impacts. A Secretariat would assure the historical precedents are also included.

The White House Secretariat should be structured in the following way:

- It should be a formal part of the Executive Office of the President, located within the White House Office of the Executive Office of the President;
- It should work under and report to the Chief of Staff of the White House;
- The White House Staff Secretary, responsible for organizing all memoranda that go to the President, would assure that the Secrtariat's memorandum is included with the memoranda that go to the President for decisions;

- The Secretariat should be comprised of ten professionals drawn from the Senior Executive Service. Obviously, one President must initiate the process of appointing these professionals: In order to minimize the chance of politicizing the Secretariat from the outset and to maximize the chance of obtaining highly qualified individuals, those chosen should have at least ten years of continuous federal civil service;
- Once appointed, a member of the Secretariat should only be removable for cause or upon retirement;
- Of the ten members, roughly half should provide the domestic policy staff with historical precedents and the remaining half should serve the national security staff;

As part of its major functions, the Secretariat should do the following:

-- assume responsibility for supervising and cataloging past presidential records so they can be easily recalled. It should also help to establish a common data base for the White House to use to aid the President in decisionmaking. This data base would enable the White House to receive information from various agencies as well as communicate data to these agencies.

- -- The Secretariat should work with federal agencies and departments to develop and provide historical precedents, if any, for major decisions by the Presidents. This would include noting similarities and differences the decision at hand may present from historical precedents.
- -- Finally, the Secretariat should develop, to the extent practical, a list of key individuals who were involved in prior decisions, so that Presidents and their top aides could call upon and solicit advice from these outside experienced persons.

There is no guarantee a Secretariat would assure that each Presidential decision is wise. Nor is there a guarantee the President or his advisors will listen to all the Secretariat offers. But at least the response will be available in-house. One of the best mechanisms to avoid future mistakes is to study and learn from past successors and failures. When an organization -- a corporation or a government -- is able to draw from past experience, it can improve its performance. By instituting mechanisms and structures that ensure continuity, we can avoid the pitfalls of policymaking.

Two Presidential Transition Topics:

A. Restrictions on private funding and volunteer
   staffing
B. Budgeting Process for the transition years.

Statement of
Edwin L. Harper, Ph.D.
Senior Vice President and Chief Financial Officer
Campbell Soup Company

To
U. S. Senate Committee on Governmental Affairs
September 17, 1987

Mr. Chairman, members of the Committee, I'm pleased to have been invited to comment on some concepts Senator Glenn has surfaced with respect to presidential transitions. Transitions and budgets are topics close to my heart, having been a senior member of President Reagan's 1980 transition team, and subsequent to that, Deputy Director of the Office of Management and Budget.

The Committee, under your leadership, Mr. Chairman, is addressing a topic that is important and timely. It is important because there is no period in the American political cycle when our Federal Government is more vulnerable to confusion and paralysis than during the transitions of the Presidency. The hearings are timely in that the Congress must act on these transition issues well in advance of the transition itself.

RESTRICTIONS ON PRIVATE FUNDING AND VOLUNTEER STAFFING

There are a number of issues, but one of these is paramount. The issue is eliminating the use of private resources in the transition process in return for somewhat more generous federal funding of the transition process. This is a key proposition which should be opposed as it stands.

Eliminating the use of private resources in the transition attempts to achieve two laudable objectives, but in the process of achieving those objectives, turns out to be self-destructive. The objectives it attempts to achieve are apparently to have a better transition process - by that I mean more timely, well thought out, and thorough - and to minimize the influence of private political contributions in the electoral process generally and specifically in the selection of appointees.

If the objective of the legislation is specifically to minimize the influence of private contributions to the electoral process, that issue ought to be dealt with head on and not through the back door of dealing with the transition mechanism. Furthermore, I have not seen convincing evidence that monetary contributions are a significant factor in the appointment process.

What I believe to be the self-destructive dimension of the concept is to rob the transition of volunteers. One of the things that fuels American politics for the good, in my view, is the work of people volunteering their services to work in campaigns and in presidential transitions.

Under the laws operative in the 1980 transition, we were able to recruit an impressive array of volunteers given time off by their employers with pay to staff the 90-day transition effort. In addition to university professors, students, and retired persons, we were able to recruit outstanding scientists, economists, and executives from America's leading corporations.

Most of these people came dedicated to the candidate, his ideals, and their ideals of serving their country in some small way. The vast majority of them did not aspire to, and in fact, did not serve in government after the transition. A number of them had previously served in government and simply wished to see excellence in government. A number of these people continue to serve through organizations such as The Center for Excellence and the National Academy of Public Administration.

I was Director of the Office of Policy Development during the transition, working with Martin Anderson and Ed Meese. As I looked out from the doorway of my office, in a big open area, I saw about two dozen ragtag GSA metal desks, and in the chairs sitting behind those desks, working sixteen hours a day at no cost to the transition or the government, were senior vice presidents of major investment banking firms, mid-level executives from major commercial banks, academics fitting time in around their schedules, some of the greatest scientific minds in America huddled in one corner, and the president of one of America's leading think tanks in another, working quietly by himself.

If, as is proposed by some, no private funds could be extended for any transition activity, I am seriously concerned as to whether or not we would have had that caliber of individual as a part of the 1980 transition team.

Unless specific exclusion were made which would allow companies to compensate volunteers while they were serving in the transition, I think this legislation would have the effect of robbing the transition of a most precious asset, the talent and enthusiasm of those who volunteer to help a newly elected President. There are few people who can afford to quit being paid at their current level of compensation for three months.

I would suggest that any legislation explicitly exclude from the ban on private contributions the contribution of services in kind. This would allow a company or partnership to pay the salary and expenses of a volunteer participating in the presidential transition.

If transition volunteers were subjected to the same restrictions on supplementation of income that are imposed on members of the executive branch (but not the Congress), I believe it would be impossible to adequately staff the presidential transition. If it were staffed under these restrictions, it would be staffed almost entirely by Washington lawyers who are a fine group of individuals but not necessarily representative of a cross-section of the American people.

Some suggest instead a compromise that some limited percentage of funds might be contributed by the private sector to the transition. If this must be, I urge that contributions of personnel be excluded. It is quite a different thing to ask a CEO for a $25,000 contribution as opposed to asking him to lend a $100,000/year executive for three months.

Let me now move on to some other issues related to funding. First of all, I believe that it is sound to increase the funds available for incoming transitions from two to four million dollars and to establish an inflation adjustment for future transitions. Funding for the outgoing transition deserves a parallel increase in funding from one to two million dollars. Allowing up to 20% or $800,000 of those funds to be spent prior to the election seems appropriate. While I'm a great believer in the two-party system, I believe the legislation should have some mechanism in it to allow for the possibility of a serious third-party candidate. Perhaps the public funding requirements in the legislation establishing the Presidential Elections Commission could provide some guidance in this area. Finally, it is wholly appropriate to limit the utilization of those funds to the appointment of executive level personnel, the structuring of the transition, and recruiting transition personnel.

Utilizing up to $2,500 apiece for post-election presidential transition personnel moving expenses is a gesture in the right direction. Since presumably transition moves are not permanent, I won't argue too much about the amount of the moving expense. However, I will point out that we don't yet provide moving expenses for the new members of Congress or presidential appointees for that matter. I also point out that my firm's average moving expense of a home-owning employee in 1986 is $33,400. I believe that not providing adequate moving expense presents an unreasonable financial burden on new members of Congress and on new presidential appointees.

THE BUDGETING PROCESS IN THE TRANSITION YEAR

At this point, let me move on to providing another major subject near to my heart, and that is the scheduling of the budget process in the transition year. Some have suggested that the outgoing President present the "current services" budget by January 3 and proposed that the incoming President submit a completed budget by February 1.

The requirement that the outgoing President submit a "current services" budget is not unreasonable, although some Presidents, as they have left office, have chosen to make a political statement about where they feel the nation's resources ought to be allocated in the future through their budget. These budgets are generally ignored as a practical matter except in time calling for political rhetoric. Thus, while these "lame duck" political statement budgets can be outlawed, I'm not sure they will be eliminated.

The requirement that the incoming President submit his budget by February 1 is doable but ambitious. While two weeks may not sound like a lot in the grand scheme of things, I think in the critical period of the presidential transition it does mean a lot.

Even in the harried circumstances of the 1980 transition, when the budget was a focal point of interest and there were relatively few members of the Cabinet around with which to discuss the budget in January, 1981, it was still a Herculean task to prepare and present the President's budget by February 15. Part of the timing problem is the proper feeling that the incumbent President has that he is the President until he relinquishes that responsibility on inaugural day. He may thus be reluctant to turn over the biggest part of his executive staff, that is, the Office of Management and Budget, to the President-elect much prior to inauguration day.

While the cooperation of professional and President Carter's appointed staff of the Office of Management and Budget was outstanding in 1980, it was still not until early December that serious discussions got underway with respect to mechanics of putting together the Reagan budget. We began taking President Reagan through the various budget issues at policy meetings in early December, but with the holidays and the appointment process, there only being 24 hours in a day, and there being a billion dollar budget to create with thousands of budgets, it was a difficult process.

In addition to individual agencies' budgets, we need to get to the bottom line. This involves creating the economic scenarios upon which revenue assumptions are based. Ideally, the President's Council of Economic Advisors would develop that scenario. If they are not appointed until January, there is not much time to develop the revenue scenario and run that against all the spending decisions to see what the bottom line is. Thus, I would urge the Committee to extend the date to February 15 for the new President's submitting his budget.

CONCLUSION

In conclusion, let me state again that this is important and timely to consider transition funding legislation. The legislation can be cast in a way which does not diminish the availability to a President-elect in transition of the best, brightest, and most enthusiastic volunteers in America, it certainly deserves our support.

Thank you very much.

S. 1529
A bill to Improve Financial Management in the Federal Government

Remarks by
Edwin L. Harper, Ph.D.
Senior Vice President and Chief Financial Officer
The Campbell Soup Company

September 17, 1987

Thank you for asking my views on S. 1529. I am delighted to see the continuing high priority which this committee has placed on the financial management of the Federal Government.

S. 1529 is another positive step forward sponsored by Senator Glenn, Senator Roth, and their co-sponsors. The idea of creating the post, Under Secretary of the Treasury for Financial Management, is a recognition of the need to institutionalize supervision of financial systems and controls throughout the Federal Government.

I see this institutional role as different from that of the Office of Management and Budget which is the professional staff to the President. Its role is to assist in making presidential decisions, not the ongoing maintenance of financial systems and controls. OMB can play a role at the cutting edge in innovative things, such as new cash management systems, and new control systems, but it should not be tasked with the responsibility for running systems long term. This is the President's key professional staff arm and does not have the time to take on additional responsibilities.

OMB is continuing in the direction towards improved financial management which I was pleased to have a role in a few years ago, by designating the Associate Director for Management of OMB as the Chief Financial Officer of Government. This individual is currently leading an effort to consolidate the 126 financial accounting systems into a single system with a single general ledger.

When this project is finished, in about 18 months as I understand it, it would be appropriate to turn this system over to an Under Secretary of Treasury for Financial Management. To task a new official in government with the responsibility of designing such a system would, I believe, be an unreasonable assignment.

A second point I would make is that the audit responsibility in federal agencies should remain the preserve of the Inspectors General. The current system of the Inspectors General has earned respect at both ends of Pennsylvania Avenue. It should not be tampered with by splitting the audit responsibility between the Departmental/Agency Chief Financial Officer and the relevant Inspector General.

In conclusion, with the exceptions of (1) timing (it may be 18-24 months before the post of Under Secretary of Treasury for Financial Management can be effectively utilized, and (2) reserving the audit function to the Inspectors General, I enthusiastically support S. 1529.

Testimony for Committee on Governmental Affairs, U.S. Senate,

September 17, 1987

By Stephen Hess

Senior Fellow, The Brookings Institution

Washington, D.C.

I appreciate the opportunity that the Governmental Affairs Committee is giving me to think again about presidential transitions as it holds hearings on possible changes in the Presidential Transitions Act of 1963.

My overriding conclusion is that the part of the transition that takes place between Election Day and Inauguration Day is much too long. I believe this for the "standard" reasons--it creates an unnecessary period of danger abroad and drift at home--and also because I believe these 10 weeks may actually increase the difficulty of forming a new administration.

The most basic work of this period is the choosing of less than 100 executives for the agencies and White House, a task that only can be accomplished by the President-elect, assisted by a small group of intimate advisers. The rest of the administration should not take shape until these 100 appointees have been selected and can take part in choosing their subordinates. Most of the other activities amount to "make work," tasks created to keep people busy while the inner circle goes about its business. Some of these duties are marginally useful, but others can and do cause problems for the President-elect.

My major recommendation is a constitutional amendment to change the inauguration date. This was done once before, in 1933, when the 20th Amendment ordered the presidential term to begin on January 20, with the new Congress to start on January 3. Thus there is presently a period of from 73 to 79 days between the time a candidate is elected and takes office. (The congressional interregnum is now from 56 to 62 days.) I would like to see this changeover period reduced to a month. Therefore, I propose December 8 as the new inauguration date, with the new congressional session to open on December 3. This means that the maximum number of days between the presidential election and swearing-in becomes 36; the minimum number of days is 30. (For Congress the range is from 31 to 25 days.)[1]

My observations from various vantage points during the last four presidential transitions lead me to believe that the value of the work performed is greatly exaggerated.[2] In the 1980 transition, by far the largest and most elaborate in history, Carl M. Brauer rightly notes, "What residents and observers of Washington often saw was the blizzard of task forces, committees, and teams that [Edwin] Meese devised in part to reward, flatter, and occupy the conservative faithful." Transition organizations are ad hoc arrangements. Yet as the apparatus becomes larger and larger, there are some who see them as an end in themselves rather than as a means to establishing more useful presidential administrations. There is an analogue to this in the temporary arrangements of campaign organizations out of which many of the transitioners have come. Within the transition organizations there are now conflicts between "the politicians" and "the experts," those who are there because they helped the candidate get elected and those who are there because of special knowledge of how government works. Transition organizations are under added stress because many of the workers in them are also hoping to find jobs in the new administration. So much of the time of most of those involved is spent bickering and/or gossiping. Indeed, the production of misinformation is so substantial as to eat into the energy of the small circle of those who really are advising the President-elect. As Ed Meese was fond of saying in 1980, "Those who know aren't talking and those who are talking don't know."[3]

Regardless of claims to the contrary, no new administration "hits the ground running."[4] To get some quantifiable notion of how much is actually accomplished during a transition, at least in terms of personnel selection, I added up the nominations that Presidents Nixon, Carter, and Reagan submitted to the Senate during their first month in office (1969, 1977, 1981). There are about 500 jobs in the cabinet and subcabinet that rank in the Executive Schedule levels I-III. Nixon sent 85 names to the Senate; Carter and Reagan 40 each. In rough terms, then, the election-to-inauguration period probably only produced between 8 and 17 percent of these key jobs. Since very few of these names were surprises--persons who had not been friends of the candidate, campaign workers, contributors, or previous government officials--there is no reason why they could not have been produced by a shorter and leaner transition.

A shorter and leaner transition would mean more reliance on holdovers and members of the permanent government. Exiting officials are usually anxious to impart the nitty-gritty and the pitfalls of their jobs to their successors, even if they are of an alien party. The successors are usually uninterested in learning from others' experiences. (Eventually they too become exiting officials and feel otherwise.) At any rate, a shorter transition might alter this relationship; it would not make it worse. The relationship between incoming personnel and the civil service depends, in part, on the degree to which the President-elect had campaigned as an outsider, running "against" Washington as did Carter in 1976 and Reagan in 1980. But, as Lincoln P. Bloomfield writes, "The outsider's glib assumption that career civil servants will be disloyal to a new administration is an unwarranted calumny based on ignorance."[5]

A presidential transition, of course, is more than a 10-week-period between the election and the swearing-in. Generally some transition work (though not much) is done before the election, while most of the really hard labor comes after the inauguration. A sensible transition plan, in addition to decreasing the election/inauguration period, should aim to increase pre-election planning, if possible. The problem, obviously, is that the candidates and their inner circles must dedicate themselves to the job at hand, getting elected. Transition planning is low priority and even may be counter-productive if it causes squabbling among the staff. Pre-election transition operations should be encouraged, but should be placed under the aegis of the parties' national committees and paid for with federal funds. (Funding might be in the range of $1-million for each party.) The inducement of public money (which would be audited and could not be used for other purposes) gives new responsibilities to the national parties. The separation between the candidates and their parties has been of growing concern to political scientists of late. Perhaps transition planning can be used as one bridge to narrow the gap.

The proposed constitutional amendment has the added dividend of discouraging lame-duck congressional sessions. Since 1933, Congress has held 10 post-election sessions. At the last lame-duck session, in 1982, 19 percent of the House of Representatives were lame-ducks (i.e., had not sought reelection or had been defeated) and there were 5 lame-duck senators. "Lame-duck sessions," in the opinion of Senator Pell, a veteran of four lame-duck sessions, "are nearly always unproductive, sharply criticized by public and the news media, and may result in actions unrepresentative of the will of the people."[6]

A transition, by definition, is a transitory state, a passing from one stage to another. Altering the transition, then, is likely to have some affect on what comes before and what comes after. I am proposing a plan that I feel is least likely to produce unanticipated consequences and that is politically feasible if there is the will to tackle this problem. However, I should note, it is not the design that I would choose if I thought we could start again from scratch. For those who care about thinking about what might be, let me suggest, in closing, that the best time to hold federal elections is in late May or early June, when the weather is most agreeable in most of the United States and hence the voter turnout might be greater.[7] The inauguration would be held a month later, perhaps on every fourth July 4.[8] Starting presidential and congressional terms at the beginning of summer would put the government in phase with other major employers who have already figured out that this is the best time of year to transfer workers to new locations. Such a scheme might also involve holding the presidential nominating conventions in April preceded by the state primaries and caucuses in January, February, and March. This would compress the period from the Iowa caucuses and the New Hampshire primary to the inauguration into less than six months, half the time it takes under the present system. At any rate, consideration of an amendment to change inauguration day might inspire us to rethink our whole presidential selection timetable.

FOOTNOTES

1. The same principle is embedded in S.J. Res. 71, 98th Congress, 1st Session. As introduced by Senators Pell and Mathias, the term of the President would begin on November 20, while the terms of Senators and Representatives would start on November 15.

2. During the transition of 1960-61, I was on the outgoing White House staff; in 1968-69, I was on the incoming White House staff; 1976, I was an adviser to the President-elect; 1980, at the behest of the Republican National Chairman, I prepared a plan for transition operations, which was presented to the party's nominee, who subsequently became the President-elect.

3. Carl M. Brauer, Presidential Transitions (Oxford University Press, 1986), pp. 226 and 228.

4. See James P. Pfiffner, "The Carter-Reagan Transition: Hitting the Ground Running," Presidential Studies Quarterly, vol. 13, Fall 1983, pp. 623-645.

5. "What's Wrong With Transitions," Foreign Policy, no. 55, Summer 1984, p. 32.

6. Hearing before the Subcommittee on the Constitution, Committee on the Judiciary, U.S. Senate, 98th Congress, 2nd Session, Commencement of Terms of Office of the President and Members of Congress, p. 7; also see "Recent Lame-Duck Sessions," CQ Almanac 1982, p. 6.

7. The high point in voting for President came in 1860 when the turnout rate was 81.8; 40 years later in 1900 the voter turnout had dropped to 73.7; 40 years later in 1940 the voter turnout had dropped to 62.5; and 40 years later in 1980 the voter turnout was 54.3. See Walter Dean Burnham, "The Turnout Problem" (table 3) in A. James Reichley, ed., Elections American Style (Brookings, forthcoming).

8. Starting the presidential term on July 4 may have special appeal to those of us who recall the paralyzing snowstorm that struck Washington on the night before John F. Kennedy was inaugurated in 1961. But those whose memories do not go back that far need only reread two headlines from the front page of the New York Times, January 21, 1985: REAGAN SWORN FOR 2D TERM; INAUGURAL PARADE DROPPED AS BITTER COLD HITS CAPITAL and Shivering Visitors in Washington Mostly Relieved on Cancellation.

United States General Accounting Office

GAO

Testimony

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Presidential Transitions and Management Leadership

Statement of
Charles A. Bowsher, Comptroller General
of the United States

Before the
Senate Committee on Governmental Affairs

Mr. Chairman and Members of the Committee, I am pleased to be here today to discuss Presidential Transitions. Such transitions epitomize the breadth and swiftness of changes in our governmental leadership. In 10 short weeks, a President-elect must transform the policy agenda outlined during the campaign into an action plan to lead the country. Plans for sweeping personnel changes take place, as serious attention is given to filling hundreds of executive positions which will form the new Administration's leadership cadre.

Your attention to the Presidential Transition Act shares a common theme with GAO's efforts to review the general management capabilities of our major federal agencies. This theme is the search for greater continuity in improving our government's management capacity.

There is no question that it is essential to maintain continuity in our government, particularly in view of today's rapidly changing environment. This can best be achieved if transitions are carried out in an organized way. The transition period is also an opportune time for a frank assessment of the state of federal management, and a determination of what areas need the greatest attention to make sure that essential government operations do not break down.

The new Administration needs to recognize that successful policy implementation is dependent upon good management and upon the government's infrastructure: its planning processes, its financial systems, and the career workforce. A lack of sustained attention over the years has contributed to serious deterioration in the government's operations and management capacity. Failure to focus on management issues will ultimately undermine efforts to achieve any policy agenda, and result in a government ill prepared to meet the future needs of its citizenry.

This morning I would like to focus on three areas which are essential to building greater continuity into efforts to manage our government more effectively. They are

-- Providing adequate financing and support for Presidential Transitions.

-- Increasing the political leadership's attention to management issues.

-- Building a more effective management infrastructure.

Presidential Transition Act

Let me first address the Presidential Transition Act.

This act was passed with the objective of providing the financing and support necessary for a smooth transfer of power from one President to the next. It is important, however, to reconsider the act in the light of experience, as the Committee is now doing. As this effort proceeds, certain broad principles should be kept in mind.

The transition process should remain as flexible as possible. Assuming leadership of the federal government will continue to grow increasingly complex, it is important that the incoming Administration be afforded the opportunity to tailor its transition approach. It is equally important that the transition be carried out in an effective and efficient manner, given the relatively brief time period available.

In determining the amount of funds to be provided, the established principle of supporting a substantial portion of transition expenses with public funds should be continued. The funding should be adequate to prevent dependence on private funding, but not large enough to encourage the creation of a massive transition effort. Whatever funding level is chosen, provision should be made for automatic adjustments in light of changed economic conditions. Also, public funds used to support transition activities should be subject to an independent audit after the transition period.

In considering any modifications in current controls over the transition funds, it is important to recognize that the transition inherently involves a mix of public and private efforts. The President-elect is yet to possess the authority of the head of state. Persons involved in the transition effort are not public officials. And private funding and support of transition efforts is a tradition which likely will continue.

As the Committee proceeds to develop legislation, we will be pleased to assist in any way we can.

MANAGEMENT LEADERSHIP IS ESSENTIAL

I would now like to turn to my second major theme--that of management leadership. This is a particularly significant issue during Presidential transitions, given the extensive changes in the government's top management team. Selection of those who will comprise the Administration's leadership is critical. These leaders also need objective, candid assessments of the management strengths and weaknesses of the agencies they will take over.

With this in mind, GAO has been conducting a series of reviews of agencies' general management capabilities. The objective has been to present the political leadership with ways to address underlying management problems that repeatedly have been identified. The long-term goal is improved management.

One major emerging theme from our work is that sustained leadership is required if we are to see improved management of government programs. Frequently, we find insufficient attention and accountability at the top levels of an agency for day-to-day management issues associated with running complex and large organizations. Where we have conducted management reviews, the leadership has reacted positively. Several agencies have moved to assign management responsibilities at higher levels or make organizational changes to achieve greater accountability for addressing management issues.

These efforts are encouraging, but will lead to lasting change only if the new political leadership in 1989 recognizes the importance of continuing to improve our government's institutional capacity. This is more likely to occur if the incoming President and his top managers initially give serious attention to the business of managing the government's operations. An essential first step would be to make managerial capability one important factor in selecting the top leadership team for each agency.

Achieving continuity is a major challenge given our system of changing citizen leadership of a career bureaucracy. The National Academy of Public Administration (NAPA) study of political appointees has found that the median length of service for presidential appointees in the past two decades has been just over two years. NAPA concluded that short tenure and frequent turnover among the appointees led to a focus upon immediate policy concerns with limited attention to long-term institutional maintenance and development.

The impact on agency operations of unstable leadership is critical. A most notable example is SSA, which over the last decade has had 7 commissioners or acting commissioners, with an average tenure of 17 months. This instability has contributed to SSA's inability to provide clear direction to the organization, or to address management deficiencies hampering effective computer modernization and service delivery.

The Office of Federal Procurement Policy (OFPP) also has experienced turnover in top management. Its five administrators have served tenures ranging from less than 1 year to 3-1/2 years, and during four extended periods OFPP was directed by acting administrators. This situation has been partly responsible for OFPP being viewed in the past as no more than marginally effective in providing overall procurement direction and in improving the professionalism of that workforce.

IMPROVING GOVERNMENT MANAGEMENT

Regardless of the President's efforts to attract and retain qualified appointees, their success will be threatened unless we give serious and sustained attention to improving our government's management infrastructure. This is my third major theme.

Because changes in leadership are inevitable, it is critical to strengthen our government's institutional capacity to manage, especially its ability to manage change, build effective financial management systems, and maintain a strong workforce.

Adequately Preparing For The Future

We typically have found agencies operating in a reactive posture, consumed by crisis or implementing short term agendas, with little or no focus on long-term planning. The planning efforts which do exist often lack clearly defined objectives, fail to provide for adequate performance measures, or lack mechanisms to ensure executive accountability. Planning problems occur both in devising ways to provide essential program services as well as in developing a sound basis to ensure that large capital investments are spent wisely.

One good example is FAA. The agency did not have the nationwide workload data, staffing standards, and performance measures to justify to the Congress the number of inspectors needed to meet air safety and deregulation goals until 1985, nearly 7 years after deregulation. As a result, FAA appeared unresponsive to public safety concerns, and the Congress imposed increases in inspection staffing.

Another example is SSA, where the absence of a long-term service delivery plan meant that it had no firm basis for explaining how a proposed elimination of 17,000 staff positions would not result in a decline in services. Also, without a service delivery framework, SSA's Office of Systems developed its own assumptions for the agency's massive computer modernization effort, which subsequently received widespread criticism.

In both instances, the agencies have taken steps to improve their planning and performance monitoring systems. It is important for the new leadership in 1989 to understand the importance of improving agencies' planning and performance monitoring processes. Our government cannot meet its future challenges effectively unless it develops a better capacity in these areas.

Building Better Financial Management Systems

Of course good planning in part depends upon having good information. As you are well aware, I believe significant improvements are needed in our financial management systems, so that policymakers have accurate information to make important decisions and exercise proper controls over federal activities. A good first step would be support for financial reform, as outlined in your proposed Federal Financial Management Reform Act of 1987. This area needs the urgent attention of the Congress and the next administration.

Improving The Career Workforce

I also cannot stress enough the importance of improving the way we recruit and manage the federal workforce. Federal pay has lagged behind the private sector for 10 consecutive years. We see indications of morale problems within the federal workforce, and find that agencies have not had the workforce planning systems needed to address their mission requirements.

The next President needs to give attention to the federal workforce if we are to see improvements in program operations and service delivery. Recruiting and nurturing human talent will pay lasting dividends. Such efforts must recognize and rely upon the leadership of the SES, and the efforts of first-line supervisors and civil servants at agencies such as SSA and IRS. These two agencies probably have the most direct contact with the public, and their performance in part helps shape public opinion about how well the federal government functions.

TOWARD A MANAGEMENT AGENDA

In closing, Mr. Chairman, I know you share my concern with improving the government's management capability. You have demonstrated your support for improved financial management, audit of government programs, and now ensuring a viable Presidential transition process. This committee has the leadership mandate to encourage a focus on management as part of an effective presidential transition. Certainly your oversight of executive branch management activities and your powers to review the qualifications of Presidential appointees offer significant opportunities to exercise influence.

GAO is committed to assisting the Congress and making every effort to impress upon the next administration the importance of sustained attention to improving our government's management capacity. It is vital that an incoming administration find the right talent to lead our institutions, charge these leaders with responsibilities for improving program operations, and recognize that good management is crucial to achieving the goals of any policy agenda. The transition period offers perhaps the best opportunity for the incoming Administration to focus on a management agenda before being consumed in struggles over its policies. We hope they embrace this opportunity because it is essential to building an effective management structure in the federal government.

This concludes my remarks. I would be pleased to answer any questions.

STATEMENT OF J. JACKSON WALTER
PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION
BEFORE THE SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

October 14, 1987

Mr. Chairman, and Members of the Committee:

Thank you for the privilege of testifying here this morning. I appear before you as the President of the National Trust for Historic Preservation, although it is my prior service as President of the National Academy of Public Administration (1982-1984) and as Director of the Office of Government Ethics (1979-1982) that gives me whatever credentials I may have of relevance to your concerns here.

Nonetheless, let me first venture a word in my current capacity. As the President of the National Trust, the owner of Montpelier, the home of James Madison, father of our Constitution, it seems altogether fitting for me to be talking with Senators about presidential transitions and appointees. After all, it is the Constitution that creates the advise and consent power of the Senate and it is this provision that is "the primary constraint" upon the freedom of American presidents to appoint their senior assistants. As we set about the preservation and restoration of Montpelier--hopefully, with the support of the Congress--it is our goal to present to all who will visit or listen, a view of the Constitution, Madison's great achievement, that reflects its role in our contemporary world.

Mr. Chairman, I was the Director of the Office of Government Ethics during the 1980-81 Carter-Reagan transition. President Carter appointed me late in 1979 and President Reagan asked me to continue in office, which I did until late 1982. During the ensuing two years at the National Academy of Public Administration I was privileged to work with John Macy in producing a book that we called "America's Unelected Government: Appointing the President's Team" (Ballinger, 1983). In addition, I initiated the Presidential Appointee Project that has produced, during my friend Ray Kline's tenure as National Academy President, a final report entitled "Leadership in Jeopardy: The Fraying of the Presidential Appointments System" (November 1985) and, under the superb leadership of G. Calvin Mackenzie, the project director, an outstanding collection of papers, published as "The In-and-Outers: Presidential Appointees and Transient Government in Washington" (Johns Hopkins University Press, 1987). Cal Mackenzie cannot be here today; I agreed to pinch-hit--I encourage the Comittee to seek Mr. Mackenzie's counsel for he designed and directed by far the best recent analysis on these matters.

Mr. Chairman, much of the presidential transition machinery is either non-existent or broken; and I urge you to do your best to fix it. If you do, future presidents and the American public, to say nothing of your colleagues in the Senate, will be grateful. Let me cite only a few of the specifics:

1. "The number of positions filled by political appointment has grown too large and must be reduced. The House Government Operations and Senate Governmental Affairs Committees should conduct a government-wide assessment to identify and reconvert many of those positions where career executives have been replaced by political appointees." ("Leadership in Jeopardy",

> November 1985, National Academy of Public Administration)

All the evidence suggests that recruiting presidential appointees becomes ever more difficult. It only makes sense, therefore, to cut back on the number of appointed positions and to build upon the expertise and relative stability of the senior career service.

> 2. "Planning for the staffing of new administrations should begin no later than the month in which the major party candidates are nominated. Adequate funds from the Presidential Transition Act should be allocated for that purpose." ("Leadership in Jeopardy," November 1985, National Academy of Public Administration)

Forming a government between early November and late January is essentially impossible. A few additional months work would be very helpful, though it would still be a terribly difficult challenge. This activity should be adequately financed by the Presidential Transition Act.

> 3. It takes too long for the appointees of a president-elect to get confirmed and working.

This delay was not, during the 1980-81 transition, attributable to the conflict of interest/financial disclosure process. OGE's expedited procedure worked; of the 615 individuals nominated by President Reagan as of April 8, 1982, OGE on average had sent the reviewed report and opinion letter to the Senate confirmation committee within four days of the individual's nomination.

> "The president's chief personnel assistant should be an influential member of the White House staff, with regular and direct access to the President." ("Leadership in Jeopardy," November 1985, National Academy of Public Administration)

The NAPA report, as well as earlier comments on this topic in "America's Unelected Government" made a strong case for a careful review of the "full field" clearance investigations.

4. As to the Ethics in Government Act, I simply stand by the various changes that were recommended while I was the Director of the Office.

Mr. Chairman, I appreciate the opportunity to testify here this morning and will be pleased to answer any questions.

STATEMENT OF
RAY KLINE, PRESIDENT
NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ON
PRESIDENTIAL TRANSITION EFFECTIVENESS

October 14, 1987

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to appear before this Committee on a most important topic. Transition from one administration to the next is an increasingly awesome task and one that is relatively little understood. The concern reaches beyond needed changes in the Transition Act, and includes the larger issue of making the next presidential transition as successful as possible.

This upcoming transition is a time of both challenge and opportunity. Getting the new President off to a good start is of paramount importance, but it will not be easy. A key finding of our Academy studies in this area is that in past transitions we have lacked sufficient institutional memory about either the process, itself, or the substance of ongoing programs at the time power was transferred. People in both incoming and outgoing administrations have worked to improve the transition process, but the psychological atmosphere surrounding the transfer of power is often not conducive to establishing good working relationships. The rigors of the campaign, the relative lack of experience, and the growing complexities of beginning an administration also have an impact on the ability of the new team to assume power.

There are limits to what can be accomplished in advance of the formal transition period between November and January, but there are steps that can be taken. Sufficient federal resources should be made available for transition planning, provided that adequate controls are in place for record keeping and disclosure requirements. Federal funding for the transition should be increased. Provision should be made for volunteer services and in-kind services as well as financial contributions, but there must be effective accounting control of these transactions.

As for the outgoing administration, we are attracted by the idea of requiring the President to submit only a current services budget. This would eliminate unnecessary work and reduce confusion in an already too complex budget process. We do not favor a freeze on noncareer and Schedule C conversions to civil service status, as relatively few such conversions have occurred during the past transition periods. But we do favor tighter controls on such actions.

Beyond the mechanics of the transition process, there are some issues concerning our ability to govern which I want to discuss. We at the Academy are very concerned about the state of the public service, the diminution of career management talent available to implement federal programs, and the problems recent administrations have had in finding and retaining highly competent political appointees, especially at the sub-Cabinet level. The Academy has performed several studies in recent years which address these issues, including two noted by others at this hearing today. I have attached a list of relevant Academy studies to my prepared statement.

A recent Gallup poll showed that Americans want a President with proven qualifications who can "make government work." There is an opportunity for third parties to help whoever is elected to achieve this goal, and several--including the Academy--are already at work. You have already heard representatives of the Harvard Public/Private Careers Project discuss their program. I am sure you are aware of efforts by the Center for Excellence in Government and the recently established National Commission on the Public Service to address key personnel issues which will face the new President. These non-profit organizations can assist by providing non-partisan advice and assistance using the best minds available. These organizations are made up of distinguished former practitioners and scholars of government, who are not now directly involved in either the campaigns or the current administration, but who want to do what they can to improve performance in the federal government.

The Academy is working with these other organizations. It is also undertaking a series of efforts designed to do three things:

* First, to study current management issues pertaining to the Presidency and provide issue papers to the candidates at various intervals during the campaign. These issue papers will address the role of the President as national leader and chief executive officer; the functions of the Executive Office of the President and its interaction with the Cabinet; presidential appointments; the President's relations with the existing executive establishment; standards of conduct; and improving the President's relations with Congress.

* Second, to assist the transition team of the incoming administration in such areas as organization of the White House staff, program and organizational briefings for designees at Cabinet and agency level, and analyses of issues arising during the transition period.

*Third, to provide advice on management problems as they arise after inauguration, with emphasis on those programs proving intractable in achieving their intended results.

The Presidency study will be conducted by a distinguished Academy panel, chaired by Elmer Staats, the former Comptroller General. Our goal is to provide practical suggestions on how to get the next presidential term off to an effective start. The panel will produce a report on the Presidency in addition to the issue papers I have described. I have attached a brief description of this study and a list of the panel members and staff.

Mr. Chairman, there is much work to do. Collectively, we can proceed on two fronts to improve government performance, especially during the transition. The first is to undertake a campaign to restore citizens' confidence in public service. Some of the organizations I have mentioned are concentrating on this front. The second is to develop workable solutions to pressing management problems inside government, including those of the transition. Our efforts to improve government performance must be just as diligent as our efforts to improve the image of the public service; we must vigorously pursue the latter if we are to succeed with the former.

We would be pleased to work with the Committee on transition legislation following its introduction and to answer any questions you may have.

RKtranstst/SPY
10/13/87

ACADEMY STUDY
OF THE PRESIDENCY

NATIONAL ACADEMY
OF PUBLIC ADMINISTRATION

A new President and his staff must make many of their most critical decisions on personnel, structure and operating procedures when they have the least knowledge and experience - during the transition and at the beginning of the new administration. The Academy's 1988 Presidency project is designed to help facilitate this process by providing the President-elect and the new administration with information and recommendations for dealing with these executive issues of government. The project has three primary objectives:

* To highlight key issues for the campaign on the effective conduct of the Presidency;

* To assist the new President, Cabinet members, and senior White House staff in assuming their responsibilities for governing the Nation, and

* To improve the overall management of the government.

To achieve these objectives, the Academy has identified six key issues for further inquiry:

1. How can a President as the national leader most effectively fulfill his role as chief executive officer?

2. How can the President's staff and the Cabinet work together to meet the President's needs as well as their own executive responsibilities?

3. How can the President identify, recruit, and continue to attract responsible, qualified appointees committed to the goals of his administration and the ethics of public service?

4. How can the President build constructive relations with the existing executive establishment and motivate high performance?

5. What standards of conduct should a President demand from his appointees and exemplify in his own behavior in office?

6. How can the President create and sustain a productive working relationship with Congress?

The Academy will stimulate a dialogue on these questions during the campaign by publishing a series of issues papers and distributing them to the candidates and their staffs and the media. The studies will also be available to the transition team. In addition, the Academy will offer to sponsor informal conversations between incoming officials and those who have served in previous administrations. The conversations will not focus on substantive policy questions. Rather they will be concerned with structural and operational issues vital to the effective operation of government.

To conduct its study the Academy has assembled a distinguished panel of current and former government officials and a research team of presidential scholars. The work of the panel and its research team will be published in the form of individual issue papers and a final report which will identify for each issue the principal problems, the options for coping with them, and the steps a new administration could take upon assuming office.

It is anticipated that these papers and the report will generate further initiatives by the Academy in conjunction with the needs and desires of the new administration.

ACADEMY STUDY OF THE PRESIDENCY

Panel Chairman

Elmer B. Staats
Chairman, Harry S. Truman
Scholarship Foundation

Panel members

Andrew R. Brimmer
Brimmer & Co.

William T. Coleman, Jr.
O'Melveny & Myers

Stuart E. Eizenstat
Powell, Goldstein, Frazer & Murphy

Senator Daniel Evans

Fred F. Fielding
Wiley, Rein & Fielding

General Andrew J. Goodpaster
Atlantic Council of U.S.

Edwin L. Harper
Campbell Soup Co.

Stephen Hess
Brookings Institution

James R. Jones
Dickstein, Shapiro & Morin

Harry C. McPherson, Jr.
Private practice

Robert E. Merriam
Alexander Proudfoot Co.

Chester Newland
University of Southern California

General Brent Scowcroft
Atlantic Council of U.S.

Rocco C. Siciliano
American Health Properties, Inc.

James L. Sundquist
Brookings Institution

Anne Wexler
Wexler, Reynolds,
Harrison & Schule, Inc.

Ex-officio members

Alan L. Dean
Alfred M. Zuck

Project Director
Stephen J. Wayne
George Washington University

Deputy Project Director
Roger L. Sperry
Assistant to NAPA President

Issue Leaders

James Pfiffner
George Mason University

G. Calvin Mackenzie
Colby College

Samuel Kernell
University of California
at San Diego

ACADEMY PUBLICATIONS PERTAINING TO THE PRESIDENCY

Strengthening the U.S.-Soviet Communications Process to Reduce the Risk of Misunderstandings and Conflicts

Communication can facilitate or hinder the conduct of U.S.-Soviet relations, not alter the underlying nature of such relations. The Academy panel's April 1987 report addresses the processes which determine whether the views communicated are informed, accurate, timely, comprehensive and conveyed as intended. One chapter discusses issues and makes proposals of direct interest and concern to presidents and their principal advisers in the handling of relations with the Soviet Union, including (1) needed campaign and background briefings, (2) selecting and using to the greatest advantage the most knowledgeable and experienced experts on Soviet affairs, (3) meetings with Soviet general secretaries, (4) the problem of compartmentalized information on the part of closest aides and advisers, and (5) the need for improved coordination of administration public positions regarding U.S. policies toward the Soviet Union.

Presidential Management of Rulemaking in Regulatory Agencies

In the past several years, the Office of Management and Budget (OMB) has sought to impose accountability and control in rulemaking. The OMB efforts, intended to improve the crafting of rules, have opened up a Pandora's box of issues centering on rulemaking authority and power. This January 1987 report by an Academy panel examines some of the questions kindled by the rulemaking review and management process. It highlights the constitutional, legal, and pragmatic management aspects of rulemaking--how to ensure thoughtful and comprehensive rulemaking that addresses public accountability and operational practicalities.

The Quiet Crisis in the Civil Service: The Federal Personnel System at the Crossroads

This occasional paper, published in December 1986, expresses the view that the personnel management systems and philosophies that guide those systems is creating a "quiet crisis" in the civil service. The authors believe that the capability of the government's executives, managers, and employees is slowly being lost. Their paper comprehensively covers the major issues in federal personnel management, the pros and cons of various proposals to reform the civil service, and concludes with a look at the civil service of the future.

Leadership in Jeopardy

After a comprehensive study of the presidential appointments system, the Academy's Presidential Appointments Project concluded that many changes must be made if that system is to continue to provide the Nation with talented and creative leaders. This November 1985 report contains recommendations on selection and recruitment, financial disclosure and conflict of interest, Senate confirmation, transition and orientation of new appointees, the appointee's work environment, and the number of positions filled by political appointment.

The In-and-Outers: Presidential Appointees and Transient Government in Washington (published by The Johns Hopkins University Press)

This 1987 book is based on research conducted for the Academy's Presidential Appointees Project, provides insights into the appointments process and the backgrounds, work lives, satisfactions, and frustrations of the appointees themselves. The several contributors, many of whom worked on the project, examine such issues as recruitment, conflict of interest, Senate confirmation, job orientation, work environment, and post-employment experiences.

America's Unelected Government: Appointing the President's Team (published by Ballinger Publishing Company)

This 1983 book traces the development of the modern appointment process, describes how appointments are made and the problems for recruiting and retention, and discusses the perception and the reality of conflict-of-interest requirements. Twnty-one recommendations are presented on these topics.

The Presidential Appointee's Handbook

This 117-page handbook, published in 1984 and used in the Reagan Administration, was designed to serve the needs of new presidential appointees by explaining the procedures, reviews and investigations that make up the appointment process. Sprinkled among the descriptions of the routines of the appointment process are advice and suggestions offered by those who have managed this process and by earlier generations of appointees who have passed through it. The central objective was to identify and answer those questions that confront new appointees most often and which trouble them most deeply. Included as appendices were a security questionnaire, financial disclosure report, and relevant laws and regulations on appointments.

Revitalizing Federal Management: Managers and Their Overburdened Systems

This panel report, prepared in 1983, observed that, "Many people--especially those running for office--argue that the principal fault must lie with the entrenched bureaucrats who are perceived as slow-moving, resistant to new leadership, and more interested in preserving a complex bureaucracy than in streamlining government." What this panel found, however, was that increasingly elaborate and entwined management control systems and administrative procedures, often heavily centralized, had become significant barriers to the responsiveness of government, and had increased costs as agencies pressed for more staff, office space and computers to keep up with the red tape. The report contains recommendations for strengthening the institutional base for management reform and improving the procurement, personnel, and other management systems of government.

STATEMENT OF BENJAMIN H. READ
SENATE GOVERNMENT AFFAIRS COMMITTEE
OCTOBER 14, 1987

The presidential transition process needs strengthening in many respects. This is particularly true when there has been a change of party control of the White House -- as has been the case in five transitions since World War II. These hearings are essential because some of the existing flaws in the process can only be corrected by legislation, and expressions Congressional support are needed to encourage actions by the candidates and executive branch to remedy other deficiencies of past practices.

This statement will highlight the findings and recommendations relating to presidential transitions in the 1987 report of a panel of the National Academy of Public Administration (NAPA) on "Strengthening the U.S.-Soviet Communications Process to Reduce the Risks of Misunderstandings and Conflicts." The panel, which I was pleased to chair, included persons (list attached) who have held political, diplomatic, military and intelligence positions of responsibility in each of the last seven administrations. We were also able to drew on the experience and views of 200 present and past officials and experts, including contacts with former presidents and cabinet members. While the report dealt with super-power relations, a subject certain to require the next president's priority attention, many of the panel's recommendations apply to the general problems of transitions in the international relations field. Other points in the statement, so identified, reflect my own views and experience with foreign affairs aspects of the past transitions.

Three sets of transition problems in the field of national security affairs are covered: pre-election transition planning and briefings; transition briefings; and institutional memory. Recommendations appear at the end of the fist two sections and throughout the third.

II. Pre-Election Transition Planning and Briefings

Effective presidential transitions require many actions to be taken in advance of the general election. Otherwise the 10-11 weeks between the election and Inauguration are not enough.

Most presidents-elect have had little or no official foreign affairs experience. As Secretary of State Haig observed in his memoirs, "Of all our twentieth century presidents, only two, Eisenhower and Nixon, can be said without quibble to have come to office with deep firsthand knowledge of the world outside America."

In terms of significant prior experience with the Soviet government and first-hand knowledge of Russian society, a similar point could be made about most incoming cabinet-level foreign affairs officials. Of the thirty persons who have served as secretaries of state or defense, national security advisers, or

C.I.A. directors since 1960, none had had prior official negotiating experience with the Soviets. None had studied, resided or worked in the Soviet Union. None spoke fluent Russian.

The knowledge gap can have serious consequences for new administrations. Alleged but fictitious charges and distortions have gained credence during recent presidential campaigns which have confused and complicated superpower relations. One need only recall the "bomber gap" of 1956, the "missile gap" of 1960, references to "the Sino-Soviet bloc" long after it had ceased to exist, the "windows of vulnerability" charges and super-heated anti-Soviet rhetoric of the early 80's. It is not just coincidental that unfortunate mistakes have often been made and important opportunities missed in early months after inaugurations, e.g. the Bay of Pigs; the Carter Administration's failure to conclude a SALT II agreement as all but negotiated by the Nixon and Ford Administration. Adversaries too have been badly misled at such times. The Academy panel learned that the KGB had sent a war alert message in early 1981 advising posts that the U.S. would attack the Soviet Union and ordering special watch and reporting coverage of any possible war preparatory moves.

Present pre-election briefing and planning practices are grossly inadequate to help avoid campaign misstatements and to prepare for effective transitions.

Early in recent election years, the incumbent president has offered current foreign affairs briefings, usually by the secretary of state to the presidential candidates. After the conventions, the nominees or their designees have been briefed at intervals determined by external events and campaign schedules, occasionally by the president directly during crises, more often by the secretary of state or national security adviser or a lower level officer if the nominee has named an aide to undertake the briefings on his behalf.

Such briefings have usually focused on the immediate problems of the times and been quite general in nature, and in most cases they have been repeated only once or twice during the general election campaign. They have not afforded an opportunity to examine the roots of major problems, the probable perceptions or other governments, or alternative policy approaches.

Several factors deter candidates from seeking high level official briefings. The candidates resist such briefings, not only because of competing scheduling demands but also because of concerns about possible charges of having been "brainwashed" or of disclosing classified information later in the campaign. Foreign affairs, specially east-west relations, have become increasingly contentious issues in recent elections, which has bred distrust of the administration. Well before election day, the nominee and his foreign policy advisers may have become convinced that their campaign foreign policy themes offer more promise than existing policies, and they resist situations that would challenge that view. Unfortunately, distrust of the preceding administration has tended to carry over to distrust of career as well as political officials associated with past policies, particularly after three successive presidential elections have given indiscrimate prominence to "anti-bureaucracy" themes.

Briefings

There are many advantages to pre-election substantive briefings. President Carter urged that briefings begin well before the transition period. Vice President Mondale suggested that they begin before the conventions when a candidate has acquired the commitments needed for nomination, or in any case immediately thereafter. Both felt that despite intense campaign scheduling problems the successful candidates would welcome occasional breaks from campaigning for well structured background briefings on issues of major national importance.

Plainly our ability to understand the U.S.S.R. is one such issue. As Scotty Reston stated in a column two days ago "... the politics of the world will be dominated by the dialogue between the President and General Secretary Gorbachev" in the years ahead. The NAPA panel felt that briefings in this area should focus on the most relevant aspects of Russian and Soviet history and culture, social, political, economic and military developments and trends, and evolving Soviet perspectives about the United States and international affairs.

The nominee will determine who would participate in such briefings. Obviously the candidate's primary foreign affairs advisers from the campaign would be included along with academic and other experts on Soviet affairs whose views would be valued. Ideally such experts would represent a fairly broad spectrum of opinions. Even an incumbent vice president running for the highest office could benefit from exposure to the views of top non-government experts.

Potential national leaders would be well advised to also include in the briefings some of the best present and past career officers in government who have had substantial experience with Soviet authorities, such as the present and former ambassadors to the U.S.S.R. and State Department country directors for Soviet affairs. A secondary benefit of such procedure would be to help future presidents become acquainted with and evaluate some of the experienced career officers with whom a new administration would be working in the near future.

Planning

Pre-election planning for transitions has suffered from other shortcomings. Shortly after the conventions recent practice has been for the nominee to name a staff member to develop issues papers and plan for transition. The person chosen is usually assisted by a small staff whose members have responsibility for a given field or subject. They in turn undertake the usual tasks of preparing or inviting others to prepare issues papers for topics expected to come up in the campaign, forming publicized groups of respected supporters and experts, and gathering names of individuals to suggest for staffing the next administration.

The overriding purpose of these activities is to prepare positions for the candidate to advocate and comments to make about new developments, to help him justify past statements, and produce arguments for use in countering opponents' positions.

Little attention is devoted to briefing the candidate in depth about the issues he will face if elected or deciding some of the questions that need to be resolved in advance for a smooth transition. There is no formal contact point or liaison with government agencies to facilitate obtaining needed background information. The agencies, which are all routinely preparing detailed transition books during this period, receive no guidance about the candidates' individual needs and requirements that vary greatly, of course, depending on experience, knowledge, and preference for specific ways of absorbing information.

II. Transition Briefings

On the day after the election, the president-elect has to shift gears radically. After a period of rest, he must give highest priority to the selection of the individuals who will help run his administration. It is a vital and time-consuming set of choices only partially aided by the talent identified by advance staff work. Others have or will testify on the appointment process, I am sure. I would like to concentrate on the substantive briefing procedures for the president-elect during those crowded transition weeks and to suggest how the appointment and briefing processes can supplement each other.

Before crucial cabinet choices are made, some recent presidents-elect have invited leading cabinet level candidates and advisers for discussions about pressing issues in specific fields. The comparative strengths and weaknesses of their presentations may well provide important leads in deciding appointments. The process could be further strengthened if selected outstanding career government officials were invited to participate on such occasions and to comment on the ideas presented.

The one or two meetings usually held by the incoming and outgoing presidents during transitions have dealt mainly with foreign affairs. The discussions have focused almost exclusively on current foreign affairs problems, and they have tended to be quite general and fragmentary in coverage. The Kennedy-Eisenhower briefing was devoted almost entirely to Laos. President Carter briefed President-elect Reagan on 15-20 issues but received almost no questions or comments. The extensive Johnson-Nixon briefings and discussions, in which outgoing cabinet officers participated, were more substantive than other such briefings before or since.

Presidents-elect have seldom asked for briefings by outgoing cabinet officers, although these can be helpful. President Carter told me that the most useful briefing he received during the 1976-77 transition was an all-day private session at Plains with Secretary Kissinger.

Other transition briefings have traditionally included sessions to learn the operation of the command and control system for use of strategic weapons and other military matters and two or three sessions with the director of central intelligence to learn about current intelligence operations and assessments of Soviet military capabilities.

The NAPA Panel felt strongly that president-elects should find time during the transitions for more background briefings on vital matters virtually certain to require such knowledge later on. No matter how crowded the transition weeks, he will find less time for such sessions after he assumes the responsibilities of office. Panel members also advocated participation in such briefings by highly respected government career professionals. This would also help familiarize the president-elect with a few of the many talented persons who will soon be carrying out important assignments in his administration.

None of the former elected or appointed officials contacted by the panel were satisfied with the written material prepared for president-elects and incoming cabinet members. The briefing books prepared in the departments and agencies are voluminous and often viewed as justification of existing policies by the new administration leaders, who are often not ready for or receptive to such detailed information.

The books prepared in a short time frame by the incoming departmental transition teams have other shortcomings. The teams, which tripled in size between the transitions in 1976 and 1980, usually constituted mainly by campaign workers and persons hoping for positions in the agency they are reviewing. Thus their work is apt to reflect the search for justification and implementation of campaign themes. As Secretaries of State Rogers and Vance, who chaired a recent panel on transitions concluded, "...campaigns, elections, and transitions sometimes overemphasize the value of change and underemphasize the value of continuity." Balance and depth are often lacking. Incoming cabinet officers found little use for the transition teams work in 1980-81.

The NAPA panel felt that both sets of briefing papers would be far more effective if they contained more information about the processes that the new administration could employ to marshal the many human and material assets of government that would enable the new president and his principal advisers to utilize the best available advice and resources to assist the incoming leaders in reaching their own policy conclusions.

Recommendations

To address the problems discussed above, the NAPA Panel made two recommendations, to which I would add a third.

1. At the earliest feasible time in presidential election campaigns and during transitions, the principal presidential candidates and presidents-elect should be encouraged to schedule carefully prepared background briefing sessions with leading government and private experts focused on relevant aspects of Russian and Soviet history and culture, social, economic and political trends and evolving Soviet perspectives about the United States and international affairs.

2. Briefing materials and estimates about Soviet affairs prepared for the incoming president by the diplomatic, defense, intelligence and other departments and agencies should cover major political and economic as well as military issues of consequences. They should be written with keen awareness of the president-elect's individual needs and severe time constraints. Such papers should clearly show the major trends of thought and significant dissent within government rather than attempt to advocate single viewpoints or to overwhelm with details. They should provide more information about the human and material resources that are available to assist the new president in reaching his own policy conclusions.

3. Early in a presidential election year, federal departments and agencies should be required (a) to designate an experienced officer to coordinate appropriate official responses to requests for information and briefings by the candidates, and (b) to seek authorization on request for the particioation of career officers invited to participate in the briefings of the candidates, unless it would interfere with the officers' duties of office. The candidates should be asked to designate a high level aide or adviser to make such requests on their behalf and to receive the information supplied, and the person named should be tasked to provide as much detailed information as possible about the candidates' specific needs and interests.

III. Institutional Memory

The National Academy of Public Administration panel was of one mind that the institutional memory of the United States Government for important national security affairs was worse than that of any other major world power and had resulted in serious mistakes and embarrassments in the past which would be bound to recur unless remedial legislative and administrative steps were taken. We focused primarily on representations made to and by foreign government representatives and the correlation of such statements with later developments -- areas in which there is a clear and continuing obligation to have good records for the effective conduct of international relations.

The problem is essentially three-fold. Proper records are often not made. Some of the most important records that are made are not always retrievable when needed. And when retrieved such records are rarely correlated with records of subsequent official and public statements and events that may alter their meaning.

Five panel recommendations to help remedy the most acute problems of institutional memory which are cited below with brief explanations of their rationale.

> Recommendation (1). The Presidential Records Act of 1973 and the Federal Records Act of 1950 should be amended to provide explicitly that presidents, agency heads, and all other government officials are responsible for making proper records of substantive contracts with representatives of foreign governments.

There can be no satisfactory excuse for not making such records, which may contain actual or claimed commitments or other official representations cited later by the other party's government to its best advantage. Concerns about the political sensitivity of statements made, possible misuse by successor administrations, or embarrassment about errors made in such discussions must be considered secondary to the Government's continuing need to have records of such conversations available when needed in the future to conduct relations with the other government involved. The general language contained in the cited statutes should be amended to make this obligation explicit.

> Recommendation (2). The Presidential Records Act should be amended to require that the original presidential records of all substantive contacts with representatives of foreign governments be retained in the White House with a complete listing of such contacts and to assure that copies only are removed to the archives or repositories of former president.

Not every one knows that on January 20, 1989, when a new president and his staff return from the inauguration ceremonies, the file drawers of the White House will be empty, just as they were when new presidents assumed power before, and the GSA-National Archives trucks will already have pulled out with the records of on their way to eventual deposit in President Reagan's presidential library.

The National Security Council records of former president's principal actions remain available to the White House on such occasions, but these records may omit some the most sensitive and important records of his conversations with foreign leaders. For instance, no one person in or out of government today knows whether full records exist for each of the 13 postwar summit meetings of the president and his Soviet counterpart or where some of the records which were made are located.

Former presidents, with one exception, have been generous in granting their successors and his cabinet officers access to such records when requested. But obviously if there is no knowledge of certain conversations, it is impossible to ask for any records that may have been made. And if there is an urgent and unexpected need for records from the nine presidential libraries which are spread across the country from California to Georgia, courier service must be used. There are no electronic links from the libraries to Washington available for classified transmissions.

> Recommendation (3). Presidents should direct that a senior career service Soviet expert on the N.S.C. staff be held over for a further period of assignment after a party change in control of the White House in order to provide such advice on past and present Soviet developments as may be needed.

N.S.C. senior staff holdovers may have some information about the matter and continuity of some such persons can be of crucial assistance, as the Carter Administration found when William Hyland, a career officer who had attended prior summit meetings with Secretary Kissinger, remained at the White House for several months in 1977. In 1981, however, a complete turnover of such senior persons occurred, and knowledgeable departmental persons were excluded from the NSC staff for some time. Ambassador Matlock was the first senior Foreign Service officer to serve on the NSC staff of this administration when he was assigned there in 1983. Institutional memory is badly crippled by such lack of continuity of key career persons.

> Recommendations (4). The Freedom of Information Act should be amended first, to require that any release of unclassified information made in response to a request by a foreign national be reviewed with special care and released simultaneously to the general public; and second, to require only one review every five years of requests for specific presidential and agency records, unless a subsequent request presents new evidence that warranted an interim review. [Agencies may charge reasonable user fees.]

The FOIA is often cited by certain executive branch officers as the excuse for not making certain records. Overlooking the fact that the law permits only the release of unclassified or properly declassified information, they argue that premature FOIA disclosures may cause serious harm and note the reluctance of many foreign representatives to share sensitive information because of our poor record of keeping secrets. They often cite the provision of the Act giving foreign citizens equal rights with Americans to obtain government information. There have been a few improper FOIA releases in the past, but the damage done has been insignificant compared to public gains from release of material improperly withheld -- or compared to the harm caused by deliberate leaks of classified information.

Although these concerns are largely perceptual, they pose real impediments to proper record keeping in government. Both FOIA amendments suggested by the NAPA panel are designed to offset the perceptual problems here and abroad and to effect needed substantive changes. The first would call for special care in granting FOIA requests to non-U.S. citizens. The second would limit the frequency of review of repetitive requests. As a former undersecretary of state for management, I would advocate another amendment shown in brackets to authorize agencies to charge reasonable user fees for handling requests, which are often voluminous in scope and highly labor intensive to process.

> Recommendation (5). Administrative actions should be taken: first, to assure that an American interpreter is present or other steps are taken to make records of substantive discussions between high level executive branch officials and foreign representatives: second, to provide stricter enforcement of existing sanctions against removal of agency records when agency heads leave office: third, to improve methods of correlating and retrieving records of past official contacts and understandings with foreign representatives to cover all subsequent official modifications and interpretations: and fourth to improve methods of filing, storing, integrating, and retrieving relevant public information about key developments and correlating it with official and classified information.

These actions, largely self-explanatory, are necessary to assure the ready availability of full and updated record for examination by future presidents and their key advisers. The NAPA panel documented cases in which past presidents and cabinet-level officers had unwisely relied exclusively on Soviet interpreters in the seventies to make records of important tete-a-tete meetings with Soviet leaders -- clearly an unwise procedure that should never be repeated. A number of the panel members knew of instances in which agency heads had removed official records when they left office. Regulations proscribe such actions but clearly need stiffening in an era of million dollar advances for now-it-can-be-told memoirs.

The final two points require underscoring. Unless prior steps are taken, for example, the next president and his associates will not be able to obtain a definitive account of the terms of the Kennedy-Khrushchev Cuban missile understandings, as modified and interpreted by subsequent official discussions and public events, or to know the precise areas that remain in dispute with the Soviets. Public occurrences, no matter how relevant, are not now recorded, stored, and correlated in such a way as to assure that they are referenced when the earlier classified material is retrieved. The panel noted several incidents when this had occurred. The action memorandum recommending State Department approval of the arrest for espionage of a Soviet U.N. employee last year, for instance, which was followed immediately shortly by the Soviet arrest of U.S. journalist Nick Daniloff, failed to mention that similar Soviet arrests of American citizens on trumped up charges had followed immediately after the arrest of Soviet U.N. employees in 1963 and 1978. It might not have made a difference in the Administration's actions, but surely the responsible officials should have been apprised of the prior events. Remedial administrative actions are clearly needed.

THE CENTER FOR EXCELLENCE IN GOVERNMENT

20 F Street, N.W. 5th Floor Washington, D.C. 20001 (202) 628-2277

STATEMENT OF SHELDON S. COHEN*

PARTNER, MORGAN, LEWIS, AND BOCKIUS

BEFORE

SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

FEBRUARY 17, 1988

Mr. Chairman and Members of the Committee:

It is my pleasure to appear before the Committee today in support of the Presidential Transition Effectiveness Act of 1988. I am accompanied by Mark A. Abramson, Executive Director of The Center for Excellence in Government.

I come to you today wearing several hats. First, I am here speaking on behalf of the nearly 350 Principals of The Center for Excellence in Government -- former government executives from both Republican and Democratic Administrations who are now leaders in the business community.

As business leaders, the Principals of The Center for Excellence know how crucial to the success of any organization are quality top executives. They also understand from their experience in government that positions at the top of the federal bureaucracy are of vital importance to the success of every government program and the economic health of our nation. Because of this, The Center has focused its 1988-1989 efforts on promoting the importance of recruiting quality individuals to operate the next administration. If enacted, we believe that the bill under consideration today will greatly enhance the effectiveness of the presidential transition process, especially in the area of recruitment by providing a critical inducement to begin the personnel identification process as early as possible.

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* This testimony is presented on behalf of The Center for Excellence in Government. It is not on behalf of Morgan, Lewis, and Bockius or any of its clients.

Second, I am the Secretary of the National Academy of Public Administration (NAPA) and one of the signatories of the Harvard University Center for Business and Government Public/Private Careers Project. Both NAPA and the Harvard Project have been examining a series of transition related issues along the lines this bill follows.

Third, as Commissioner of the Internal Revenue Service, I was a participant in the 1968-69 Presidential transition. I have also been actively involved in Democratic national politics over the past twenty years and served as General Counsel to the Democratic National Committee from 1972 to 1977.

Based on my experience in these various roles, I enthusiastically support the Presidential Transition

Effectiveness Act of 1988 and applaud you for introducing this important piece of legislation. The bill is overdue and will -- when enacted -- go a long way to improving the effectiveness of the transition process. I would now like to make several specific comments regarding the bill.

Section 4: Funding for Transition Planning

I fully support the provision of federal funds for the transition. While I am not certain that $3.5 million is the right amount to cover this important activity, I am encouraged by the fact that for the first time -- because of the bill under discussion today -- we will have an accurate record of what a presidential transition actually costs. Based on the final cost of the 1988-89 transition -- federal funding plus any allowed outside contributions -- I recommend that the Committee re-evaluate the federal appropriation in 1992. The inflation provision is also important to the long-term value of the bill. I recommend that it be continued, even if the base level of federal funding needs to be revised in 1992.

Section 6: Funding for Pre-transition Activities

I am very enthusiastic about Section 6 of the bill which provides -- for the first time in history -- federal funding of pre-election transition activities. I think this landmark legislation is much needed.

Over the last several years, I have concluded that a new President must "come out of the gate" running at full steam if his or her Presidency is to be effective. In fact, I think that each of the Presidential candidates ought to begin some preliminary transition planning now. As you have correctly concluded, more time is needed to plan for an effective, orderly transition then the ten weeks between election and inauguration. I have attached an article by Mark Abramson who stresses the importance of getting started early on the transition.

I think you have done a great service by encouraging candidates of both major parties to begin their transition planning prior to the general election. The provision of reimbursable funding to the national parties will encourage the start of such planning.

I am very comfortable with having the national parties handle the pre-election transition funding. Such a provision is both highly appropriate and will serve to strengthen the role of the parties in the transition process. It is also important to note that the more prominent the individuals associated with transition activities on behalf of the party and the candidate, the more certain it will be that their efforts will be utilized by the new President.

It is my hope that the two candidates would use these funds to begin developing effective procedures for selecting the key personnel in their new administrations. I cannot overemphasize the importance of this process. The success of a new Administration is likely to rise or fall on the caliber of individuals selected in key positions throughout the federal government. There is no short-cut for quality, experienced individuals in the service of their nation. Often the best person has to be sought out, in contrast to many volunteers who may or may not be adequately qualified.

Just as I have recommended that the $3.5 million be viewed as a "test" figure for 1988, I would also recommend that the $200,000 be viewed as a "test" for the pre-election activities. Based on a review of these expenditures and the experience of the two candidates, I recommend that the Committee re-evaluate whether the $200,000 needs to be adjusted prior to the 1992 election.

Section 7: Disclosure of Private Transition Funding

I also support the provision of making full disclosure of private funding for transition activities. As a former General Counsel to the Democratic National Committee, I do not think that the bill poses an undue reporting burden on either the Party or the transition team. Both the parties and the national campaigns have greatly strengthened their record-keeping capability over the past several elections. This new provision should not prove any more difficult than existing requirements for other purposes.

There is one aspect of the bill which I would like to see clarified. Does the provision of private transition funding allow for "in-kind" contributions? I strongly support allowing private sector executives to be "loaned" to the transition by their companies -- provided there is full disclosure of such "loans." During a transition, experienced individuals are needed who are familiar with the transition process. Today, there are many former government executives of both parties throughout the nation who would be willing and eager to lend a hand and their experience to getting the next Administration off to a good start. While the bill talks about financial contributions to the transition, it is unclear whether in-kind contributions are included under the disclosure provision. I feel strongly that such in-kind contributions should be allowed -- provided that they are fully disclosed.

While there is a potential danger of conflict of interest situations arising with in-kind contributions just as with financial contributions, the benefits of having experienced government hands available far outweighs the danger of a conflict of interest. We can rely on the provision of full disclosure to mitigate against conflict of interest.

Conclusion

On behalf of The Center for Excellence in Government, I fully support the enactment of the Presidential Transition Effectiveness Act of 1988. Both The Center for Excellence and the National Academy of Public Administration stand ready to provide further assistance to you and the committee in the development and enactment of this bill.

HENRY H. FOWLER
85 BROAD STREET
NEW YORK, NY 10004

September 14, 1987

Senator John Glenn
Chairman
U.S. Senate Committee on
Governmental Affairs
Washington, D.C.

Dear Senator Glenn:

I had hoped to be present at the hearing of the Senate Committee on Governmental Affairs on September 17, 1987 to join in the discussion of a forthcoming Report on the Public/Private Careers Project of the Center For Business and Government at Harvard University's John F. Kennedy School of Government.

But, unfortunately, previous commitments make that impossible and I submit this letter for your record to supplement the presentation being offered by Messrs. Knowlton and Brauer.

I have acted as chairman of this Project, working with the Director of the Center, the Honorable Winthrop Knowlton, and the Director of the Project, Mr. Carl Brauer.

They will discuss this Report because of its relevance to the Committee's examination of ways and means of achieving an effective transition in the management and administration of the Executive Branch of the Federal Government whenever a new President takes office.

Many of the Report's recommendations deal specifically with these transition periods and the speedy recruitment, placement and training of key appointive personnel in the Executive Branch in these periods, apart from the regular civil service.

The Report, as a whole, is directed to this and a broader concern -- how to promote the ready availability, at all times, as well as Presidential transitions, of some of our ablest and best motivated men and women for national public service in careers of limited but meaningful duration.

We all recognize that the ability to draw on the private sector for this talent for this purpose is one of the basic strengths of our society.

This letter will serve to underscore the strong convictions I hold that your Committee is undertaking in these hearings a task of great importance to our nation and to urge your careful consideration of the Report and its recommendations in that connection.

May I also add a few observations born out of my experience resulting from volunteering for four separate tours of duty in national public service in appointive office. These tours covered a span of twenty years in positions ranging from the lowest civil service GS-1 rating as a young lawyer to service in mid-life in the Cabinets of two Presidents. These periods of public service were interspersed with over thirty years in the private sector as a corporate lawyer for sixteen years and an investment banker specializing in international finance for sixteen years.

The next President of the United States and those who succeed him in that office may encounter considerable difficulty in the transition period and, even, the years that follow, in assembling and keeping in the offices to which he is authorized to make appointments, the best, ablest and most properly motivated men and women.

That difficulty will transcend the material, organizational, and legal matters properly raised in our Report. It is a growing problem in our current national culture reflected in public attitudes toward government service. The current image of a politician, a bureaucrat, or a holder of appointive political office in our society is not one that encourages the best, ablest and most desirable of our young or middle-aged persons or even those of established reputations for success in their chosen private careers to be readily available for government service or to seek it.

Public recognition by one's neighbors and by one's fellow citizens that government service is an honorable and vital calling seems to be on the decline. Indeed, one recent commentator has referred to the process that is going on as a devaluation of the standing of public service in our society.

The status, the "psychic" income one gets, rather than dollars, from public service has been diminishing.

The words of Plato that "when their turn comes, toiling also at politics and ruling for the public good, not as though they were performing some heroic action, but simply as a matter of duty" oftimes have a hollow ring in ears of the ablest and best prepared in the private sector.

There are not many Benjamin Franklins around who said, and I quote him, "we must not in the course of public life expect immediate approbation and immediate grateful acknowledgment of our services. But let us persevere through abuse and injury. The internal satisfaction of a good conscience is always present, and time will do us justice in the minds of the people, even of those at present most prejudiced against us."

Yet that was the attitude of the founding fathers of this nation who viewed public service as a public duty. They derived this attitude from the heritage of Greece and early Rome and even the nation from whom they sought independence. This was the attitude of George Washington, Thomas Jefferson, James Madison, John Adams, John Hancock, Benjamin Franklin and countless others who pledged their lives, their fortunes and their sacred honor to building the nation we enjoy today in celebrating the 200th anniversary of our Constitution.

There have been times in our past when there was retrogression and standards of performance in public service slipped and public office was treated as the personal spoils of politics.

But, fortunately, the pendulum would swing back and our better natures prevailed.

For example, in the forties and fifties the pride was back and there was considerable agreement with David Lilienthal when he said "I propose that, out of the best and most productive years of each man's life, he should carve a segment in which he puts his private ~~career~~ aside to serve his community and his country, and thereby to serve his children, his neighbors, his fellow men and the cause of freedom."

In the early sixties a newly elected President, John F. Kennedy, in his first State of the Union message said: "let public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and honor in future years "I served the United States government in that hour of our national need' ".

How do we achieve a return to a national cultural attitude reflected in these utterances from times past?

This is not a partisan matter. We can have our arguments about the extent to which government should intrude into the mix of activities in the private and public sectors, or the division of responsibility in the public sector between the federal government and state and local government. But there should be no dispute about the desirability of securing to the federal government the best talent -- capable managers with appropriate motivations -- to perform the responsibilities delegated to it by the Constitution and determined by the Congress.

The restoration of national cultural attitudes toward national public service conducive to this end presents a real challenge for our leaders in the White House and in the Congress -- to indicate by their attitudes, words, and acts that they consider national public service an ennobling career, whatever its duration or nature.

But the restoration of this national cultural climate is not a task for political leadership alone.

It presents a challenge to the media, to colleges and universities, to the business and financial communities, and, indeed, to all influential elements in our pluralistic society.

It is a question that presents itself to the media, who enjoy the circulation that comes from investigative reporting as well as the responsibility that is inherent in news reporting and analysis.

It is a question for colleges and universities who will train most of those who might undertake public service and inculcate the appropriate motivations and standards of conduct as well as basic knowledge and skills.

It is a question for the business and financial communities, for trade unions, for the legal and scientific organizations, for the non profit associations dedicated to particular causes. Much of their success in the future will depend upon an effective performance of the constitutional responsibilities placed upon the federal government and determined by the Congress. That performance will in turn depend upon the quality and standards of the men and women who undertake a career of national public service, of either limited or lengthy duration.

I would hope, therefore, that the deliberations of the Senate Committee on the Presidential Transition process and how to make it more effective will take into account these broader concerns with the availability, training and motivations of those ultimately chosen to man positions of major responsibility in the federal establishment.

In 1961 shortly after I had undertaken my third tour in public service as The Undersecretary of the Treasury, I had occasion to address some remarks on the topic "The Motivations of National Public Service" at an annual dinner of the Yale Club of Washington, honoring the then Chairman of the Federal Reserve Board, Mr. William McChesney Martin. Although nearly three decades have passed and my previous comments in this letter reflect the thrust of these "Remarks", I offer it for your record because it deals in somewhat more detail with one important aspect of a timeless problem.

Thank you and the members of your Committee for undertaking the important task now underway in these hearings.

Respectfully yours,

Henry H. Fowler

HHF:id
Encl.

Henry H. Fowler

TREASURY DEPARTMENT
Washington

REMARKS BY HENRY H. FOWLER, UNDER SECRETARY
OF THE TREASURY, AT THE ANNUAL DINNER OF
THE YALE CLUB OF WASHINGTON, MAYFLOWER HOTEL,
WASHINGTON, D. C., THURSDAY, MARCH 23, 1961,
7:00 P.M., EST.

In Washington, where so many Yale alumni are concerned directly or indirectly with the Federal Government, it seemed consonant with the spirit of this occasion to speak on -- "The Motivations of National Public Service."

This nation is in a new phase of its history. If it is to meet the challenges ahead, it will require a ministry of the best talents available -- not just in the glamorous beginning of a new administration, but throughout the entire course of our time and thereafter.

For we in the United States are engaged in a vast and fearsome struggle -- with both survival and freedom at stake. Ours is the leadership of the Free World. To discharge that leadership, uninvited but obligated nonetheless, a strong and effective national government is necessary.

And that means able people in government -- not just a few in strategic places -- but in elective office, in the key appointive posts, and in the career administrative service from the lower grades to the supergrades. Moreover, these persons of ability must have character. They must be ready to discharge their public trust with courage, judgment, integrity and dedication to the national public interest.

This need poses a question for the university, for the secondary educational system, for parents, for leaders in government and private life, for us all -- are we doing what is necessary to assure that our national public service has an adequate number of the ablest and best?

I shall concentrate on one facet of this question, not because it is necessarily the most important, but because it is most often neglected.

It is my conviction that a renewed emphasis on the proper motivations for national public service is vital both to an enlistment of the ablest and their subsequent discharge of their public trust in the finest traditions of the public interest.

Why should there ever be in this great country, with all of its wealth of human resources, any serious question from objective sources about the quality and calibre of its public servants? Why should there be a constant churning in the press and parlor about conflicts of interest? Why should there be concern about enough of our finest people standing for elective political office? Why should there be any conjecture about whether a President Eisenhower or a President Kennedy can get an outstanding leader in private life to come to Washington and agree to stay more than one year? Why should there be any failure of our government personnel offices to recruit a fair share of the ablest and best of our college or university graduates?

Is it because we, as a people, have failed too often and too long to drive home to ourselves, our associates and our children President Kennedy's inaugural admonition -- "ask not what America will do for you -- ask what you can do for America."

Do our schools, our parents and teachers, in counselling young people on their opportunities, stress the obligation to help guide our country to its proper destiny?

It was over a decade ago when a noted public servant, David Lilienthal, made an interesting suggestion saying:

> "I propose that, out of the best and most productive years of each man's life, he should carve a segment in which he puts his private career aside to serve his community and his country, and thereby to serve his children, his neighbors, his fellow-men, and the cause of freedom."

The response of the nation's young people to the Peace Corps proposal reveals that there will be an answer to calls of patriotism, without the sound of bugles and the summons to war.

But if young people of ability are encouraged and counselled to consider national public service, what are the values to be emphasized?

First, let us review a few that should not be stressed.

National public service should not be held out as a door to power and wealth. Out of this motivation comes the putting aside of the public interest and the favoring of private interest either of the public servant himself or of some person, faction or enterprise whose favor the public official hopes to enjoy then or later. Here is the root of the problem of conflicts of interest. This motivation cannot exist alongside a single-minded loyalty to the public interest.

"Taking care of No. 1" -- worship at the altar of personal success in terms of power or wealth -- this philosophy of the Twenties may be still appropriate for much of the private sector of our society, but is not the right motive for national public service. For that we need men and women of integrity who will not let personal ambition or prospects of financial gain cut across their fulfillment of a public trust.

Said Plato in the Republic:

> "Whereas if they go to the administration of public affairs, poor and hungering after their own private advantage, thinking that hence they are to snatch the chief good, order there can never be, for they will be fighting about office, and the civil and domestic broils which thus arise will be the ruin of the rulers themselves and of the whole State."

Nor should national public service be held out as an easy or pleasant life where one can avoid the stress of competitive society, being bundled comfortably in the secure lap of bureaucracy.

To participate in national public service today is to enter the roughest and most demanding competition of all time. It outstrips golf, tennis or business and professional life in its competitive challenge.

America is leading the Free World in the decisive competition with communism. It is engaged in a day-to-day demonstration of the values of democracy and freedom, hoping to win to our side in devotion to these values both the emergent nations and those who have been embraced by tyranny.

Our government team in this contest requires men and women of initiative, energy and judgment -- no part of the national public service should be held out as a sinecure or a haven for mediocrity.

Nor should national public service be held out as the path to glory or the approbation of one's fellow men.

As wise Benjamin Franklin once put it:

> "We must not in the Course of Publick Life expect immediate Approbation and immediate grateful Acknowledgment of our Services. -- But let us persevere thro' Abuse and even Injury. The internal Satisfaction of a good Conscience is always present, and Time will do us Justice in the Minds of the People, even of those at present the most prejudic'd against us."

Courage to stand up to public pressures, private greed and pursue only the public interest -- without regard to personal place -- this standard rather than pure crowd pleasing is to be preferred.

So much for the false or undesirable motivations for national public service -- power, wealth, ease, comfort, personal vain glory.

Let us turn to the more difficult task of defining some of the more appropriate motivations.

In doing so, let us confess that Americans sometimes seem to have lost the habit of asking for or expecting dedicated action. Yet, more than any form of society, one governed in a democratic pattern calls for an optimistic view of men and their motives.

We should not be afraid of using words and concepts such as love of country, patriotism, public duty, obligation, sacrifice, rare privilege, and dedication in motivating our citizens to national public service.

Perhaps, some would quarrel with the idea of sacrifice. So would I, if it implies an acceptance of public breast beating by self-appointed heroes who seek or refuse high places, all the while talking of sacrifice. Compared to the privilege of serving his country, elements of personal sacrifice discount at a great rate.

Rather, it must be stressed that some element of sacrifice must be accepted if public service is to be performed by dedicated men and women. And like teaching or the ministry or military service in war time, public service is better performed by dedicated people. Those who man the battlements or seek new frontiers in effective democratic government must be dedicated if they are to cope with their zealous and fanatical communist competitors.

Dedicated to what?

To their country -- to its survival and welfare, to the increasing excellence of its government in its performance of a key role in a free society, to ever higher standards of conduct in living up to its ancient ideals in a changing environment.

Can we hope for a better role for this and succeeding generations, than in the words of Plato:

> "but when their turn comes, toiling also at politics and ruling for the public good, not as though they were performing some heroic action, but simply as a matter of duty."

But whether duty, obligation or privilege, public service seemed the natural course to our Founding Fathers and to the much admired ancient Romans such as Cato the Younger, of whom Plutarch said:

> "Since it was not in the hope of gaining honor or riches, nor out of mere impulse, or by chance that he engaged himself in politics, but he undertook the service of the state as the proper business of an honest man, and therefore he thought himself obligated to be as constant to his public duty as the bee to the honeycomb."

Are there worthy motivations for public service other than love of country and dedication to its highest goals?

Yes, at least one deserves mention. It is the exciting privileg of being an active living part of one's times.

And what times they are!

The maintenance of peace or the holocaust of atomic war.

Economic growth or depression.

Sensible tax, fiscal and monetary measures or destructive extremes of inflation or deflation.

Expanding world trade or America isolated.

Increasingly effective systems of health, welfare and education or inadequate public services.

Scientific progress on earth and in space or a stagnant society amid diminishing resources.

The rights and dignity of man increasingly respected at home and abroad or retreating to acceptance of tyrannies of man over man, new and old.

The happy resolution of these and other great issues of our time will depend in large measure on those who perform public service at the national level.

Perhaps, one story will make the point.

Toward the end of World War II a friend and associate left the government to resume a highly successful private law practice in New York after eight years of fine service at various levels of administration in the New Deal and war time agencies. Six months later, I saw him and asked for his impression of his tenure in government. His reply went like this:

> "I'm glad that when I was at the height of my powers, although I was wielding a very small brush, I was painting on a very large canvas."

There are many other good motivations. One was brought home to me recently. I was riding back through darkly-lit downtown Washington, past the Monument and the White House, on New Year's Eve with a man now in his eighties, who served with distinction under five Presidents beginning with Theodore Roosevelt and ending with Truman. He peered through the window at the passing scene he had viewed so often. I inquired as to his thoughts. Simply, he said: "I was thinking of all the fine, wonderful people I've known in this town."

Perhaps no treatment of this subject on a Yale occasion would be complete without a reference to that Yale man of other years whose public career under Theodore Roosevelt, Taft, Wilson, Coolidge, Hoover and Franklin Roosevelt has never been surpassed in its high rectitude and fine motivation. I refer to Henry L. Stimson.

In the book written in association with McGeorge Bundy, it is revealed that at his twentieth Yale reunion he spoke informally to his friends of his stint as a U. S. District Attorney:

> "When I was taken, as you might say by the back of the neck . . . and turned loose with nothing but my oath of office to guide me, the first feeling was that I had gotten out of the dark places where I had been wandering all my life, and got out where I could see the stars and get my bearings once more; and there has been, during those two years, a feeling that the work I was doing amounted to a little bit, or would amount to something if I put my whole heart into it and did it thoroughly. And it has made a tremendous difference and a tremendous change in the satisfaction of my professional life. There has been an ethical side of it which has been of more interest to me, and I have felt that I could get a good deal closer to the problems of life than I ever did before, and felt that the work was a good deal more worthwhile. And one always feels better when he feels that he is working in a good cause."

And so -- love of country, a desire to be an active, living part of his times, associating with fine people in a good cause -- these are some of the better motivations for national public service.

No one has summed it up better than President Kennedy in his State of the Union Message when he said:

> "Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and honor in future years 'I served the United States Government in that hour of our nation's need.'"

And so, as we pay tribute to a Yale man who has so served, may we hope that our university and this organization may find ways and means and will to cause an increasing number of Yale's finest to give fresh meaning to its ancient motto.

oOo

VERNE ORR
1444 HILLCREST AVENUE
PASADENA, CALIFORNIA 91106

September 8, 1987

The Honorable
John Glenn
United States Senate
Washington, D.C. 20510-6250

Dear Senator:

Thank you for your letter of August 6, 1987, and for the opportunity to comment on possible changes in the Presidential Transition Act.

The $4 million you suggest should be adequate for the 1988-89 Transition, but I consider it absolutely essential your additional proposal for an inflator for future years be adopted. The Carter transition was allocated $2 million, and the same amount was available for the Reagan Transition of 1980-81. We felt that cumulative inflation in the four years was approximately 50%, and that therefor $3 million would buy about the same amount as had $2 million four years earlier.

Our incoming administration could have asked Congress to appropriate an additional $1 million, but since Ronald Reagan had run on a platform of reducing governmental expenditures, that option wasn't seriously considered. Instead, we chose to raise $1 million from private sources, with maximum amounts per family set low enough to discourage the possibility - or the rumor - that anyone could buy a position in the new administration.

Cumulative inflation in the eight Reagan years will probably end in the neighborhood of 30%, so $4 million in 1988-89 will buy about what $3 million did for us. In my estimation, that permits a satisfactory transition.

The prospect, however, of allocating 20% of the total to the two major parties for transition planning during the general election is not appealing to me. Frankly, I do not think amounts of anything near that size are necessary.

First, candidates and their top lieutenants are so involved in trying to win the election that they will not concentrate on how to handle a victory that might be theirs until after it is a fact.

Second, setting aside $400,000 for the loser cuts the amount available to the winner to $3.6 million, and I have just set forth my reasoning that about $4 million is probably right.

In our case, three or four people were working on pre-Transition planning for about three weeks or a month prior to election. I joined the team about a week or ten days ahead of the election, and that was the total complement on election day. The number appeared adequate, and needed no where near $400,000, even with office space, suppies, telephone, and possibly a minimum of travel.

Instead of writing into law that any pre-planning money be split among the two major parties, would it not be better to recognize that some day there could well be a serious candidate from an independent party, and to make allowance for that? To avoid the obligation to give a portion to every idiot who runs, could it not be divided among those candidates who qualify for Federal election funds? I believe that would limit it to only major contenders.

I would favor splitting no more than 5% of the total among candidates. In today's two party scenario, that would give each $100,000.

Amending the Transition Act to fund transition activities for 30 days beyond the inauguration is an excellent idea. The Carter people were kind enough to warn us that they got into trouble by not strictly adhering to the noon-on-Inauguration-Day deadline. Consequently we put new locks on the doors Inauguration Day, and thereafter only two or three of us had access to the building, and we were working without pay.

There are a number of Transition employees who expect to move directly into appointive positions, little realizing the long delay in bringing about such appointments. Consequently, to their distress, they are completely off any payroll on Inauguration Day, and your amendment would ease that situation.

I would suggest a separate - and additional - appropriation of about $250,000 be written into the law for use by the President-Elect to reimburse the Air Force for Government air transportation. The President-Elect is entitled to use such planes, but must pay for them out of his transition funds. The Carter people knew of the permission, but not of the repayment necessity, and were immensely shocked to receive a large bill on which they had not planned. Fortunately, again, they were thoughtful enough to alert us.

If the additional appropriation is adopted, there should be a proviso that the money is only available if the President Elect is aboard, or if the plane is going to pick him up. This will prevent the always present eager beavers and self important individuals from ordering up government air to deliver a speech draft or newspaper clipping to the incoming President.

The reason for a separate appropriation is to make sure the President-Elect actually uses Air Force planes, for prestige and safety. If it is only covered as a part of the total Transition funds, as it is now, there may always be a tendency to economize and put the incoming President on a smaller (and cheaper) private plane to utilize the funds saved for some other Transition purposes. Large Air Force planes cost over $5000 per hour to operate, and even a large amount per hour just to sit on airport aprons waiting, and that makes up a rather large bill for a President-Elect who lives as far from Washington as California or Georgia.

Thank you again for the opportunity to comment. I commend you for this intelligent effort to realistically amend the Transition Act, and I am always available by phone to your staff if I can supplement these remarks.

Sincerely,

Verne Orr

**Comptroller General
of the United States**

Washington, D.C. 20548

B-202340

October 15, 1987

The Honorable John H. Glenn
Chairman
Senate Governmental
  Affairs Committee
U.S. Senate

Dear Senator Glenn:

During the committee's hearing yesterday, at which we testified on presidential transitions, we agreed to respond for the record to a question concerning the legal availability of federally provided presidential campaign funds for expenses of transition planning. Subsequently, your staff asked also that we clarify our answer to a related question. Our response follows.

Actions by the Federal Election Commission, (FEC) which has statutory authority to determine what expenses qualify for public funding, and its staff, indicate that public campaign funds are not available for transition planning during the campaign because they are not "qualified campaign expenses" under the law and regulations. 26 U.S.C. § 9004(c)(1); 11 C.F.R. 9002.11. In 1978, the FEC General Counsel determined that salaries paid after the inauguration out of public campaign funds to persons working for then-President Carter's transition effort were not "qualified campaign expenses." The salaries would not have been qualified expenditures, solely by virtue of having been paid after the permissible period allowed by the regulations (30 days after the election, 11 C.F.R. 9002.11). However, the general counsel went on to say that the expenditures were also not qualified campaign expenses because they "were not in furtherance of the election of the President," as required by 11 C.F.R. 9002.11. MUR 458(77), February 24, 1978. This would suggest that the same kinds of expenditures during the campaign would likewise not be qualified campaign expenses.

In a 1980 advisory opinion, requested by officials of President Reagan's campaign committee, the FEC decided that private donations to, and expenditures from, a trust established prior to the election, for the express purpose of funding transition expenses, would not be considered "contributions" or "expenditures" under the Federal Election Campaign Act of 1971, as amended. AO 1980-97 (Sept. 15, 1980). The Commission based its ruling, in part, on the fact that "donations to the trust and disbursements from it will not be made for the purpose of influencing a Federal election."

Based on these two FEC determinations, it appears that, under current law and regulations, the FEC would find that federal campaign funds--as opposed to segregated, private donations--are not available for transition funding during a campaign. Furthermore, we are aware of no FEC reporting or disclosure requirements applicable to private transition funds. Of course, any authoritative pronouncement on these questions must come from the FEC itself.

Sincerely yours,

Milton J. Socolar

Milton J. Socolar
Special Assistant to the
Comptroller General

THE WALL STREET JOURNAL FRIDAY, NOVEMBER 20, 1987

Civil Servants: Why Not the Best?

By Elliot L. Richardson

Lacking any real knowledge of how government works, too many members of the business community subscribe to the notion that the abler the government official, the more he or she will seek to enlarge the sphere of government at the expense of the private sector. To prevent this, they want the machinery of government placed in the hands of unambitious timeservers who will keep the wheels turning but can be counted on not to reach out for larger roles.

They mirror the views of Terry W. Culler, associate director of the Office of Personnel Management in President Reagan's first term. In an article published on this page last year, he contended that "government should be content to hire competent people, not the best and most talented people." The "best and brightest," indeed, should not work in government at all, but should instead be channeled into the private sector where national wealth is created.

This simplistic view is diametrically opposed to the interests of business itself. Mere competence will not ensure that government programs fulfilll their purposes with the least possible encroachment on the private sector.

Today's Challenge

The confident era of expanding government that attracted the "best and-brightest" to the New Deal, the New Frontier and the Great Society is long since over. Today's challenge is more complex. It is to keep the federal government from being totally overwhelmed by the additional tasks that no other level of government is equipped to perform. Among these new demands are cleaning up toxic wastes, ensuring air safety, deterring insider trading, containing terrorism, holding down the escalation of health-care costs, combating the AIDS pandemic, promoting competitiveness, and fighting drug abuse.

If this daunting array is to receive any response at all, it can be only in a manner that makes the most efficient possible use of limited political, managerial and fiscal capacity. Today's constraints on federal ambition are practical, not ideological.

This is why our nation now needs better motivated, better trained, better qualified and better paid public servants than ever before. The government decision maker, administrator, or program designer must have a deep understanding of the systemic relationships affected by government action. Equally necessary is a sophisticated capacity to select the tool best suited to the task at hand.

To minimize the risk of undesired side-effects, government programs have to be designed and executed with knowledge and skill. Conversely, clumsiness, ignorance, or indifference can lead to further intervention in order to correct the mistakes caused by the initial intervention. The result can be like trying to even up the legs of a chair so that it will sit firmly on the floor: You take a little off one leg and then a little off another and another until you end up with a legless chair.

The more concerned you are, therefore, with protecting individual freedom and preserving private initiative, the more you should care about the quality of government. An ideological bias against big government is of less than no use. Indeed, all it does is get in the way of the understanding necessary to control big government. One thing is certain: Big government won't go away.

A second consequence of the mediocrity-is-sufficient fallacy is its tendency to undermine the relationship between political appointees and the career services. This relationship requires cooperation and respect between competent political managers who have a clear sense of what they want to accomplish and experienced bureaucrats who know how to get things done. Highly capable civil servants, in any case, could not by themselves, even if they wanted to, bring about the enlargement of the government's role: This kind of decision is not in their hands.

The trouble is that all too many political appointees enter government service without understanding any of the above. They suspect, instead, that senior civil servants lie awake at night scheming to sabotage the president's agenda and devising plans to promote their own. Having worked with most of the career services under five administrations, I can attest that this is not true. Although many civil servants have ideas they are glad to put forward and would like to see adopted, they do not see themselves as performing a policy-making role. When approached with distrust, they respond with hostility, and the loser is the public interest.

> *Compounding all these negative influences on the career services are the increase in turnover and the decline in quality of second- and third-echelon political appointees.*

Compounding all these negative influences on the career services are the increase in turnover and the decline in quality of second- and third-echelon political appointees. According to a recent study by the National Academy of Public Administration, the tenure of Senate-confirmed appointees, which was 2.8 years under President Johnson, 2.6 years under President Nixon, and 2.5 years under President Carter, has dropped to two years under President Reagan.

One result is that the tour of duty of a given appointee seldom overlaps for more than a few months with the tours of the other non-career people with whom he works. There has been a drop, meanwhile, in the experience level of political appointees with respect both to government generally and to their agency's field of responsibility. A contributing factor, no doubt, has been the elimination from the pool of eligible prospects of those who cannot meet the ideological litmus test.

As if all this weren't bad enough, more and more political appointees are being pushed into jobs traditionally held by career officials. In addition to reducing the number of positions at the top that remain open to a civil servant, the consequence is to place minimally qualified individuals in highly important posts.

Almost any job at the deputy assistant secretary level, for example, is more responsible and has wider impact on the national interest than most senior corporate positions. In the State Department, a deputy assistant secretary is responsible for all of Southeast Asia. In the Commerce Department, a deputy assistant secretary is in charge of export controls. A deputy assistant attorney general heads the war against organized crime. Comparable responsibilities belong to every similar position throughout the government.

But a White House personnel assistant sees the position of deputy assistant secretary as a fourth-echelon slot. In his eyes that makes it an ideal reward for a fourth-echelon political type—a campaign advance man, or a regional political organizer. For a senior civil servant, on the other hand, it's irksome to see a position one has spent 20 or 30 years preparing for preempted by an outsider who doesn't know the difference between an audit exception and an authorizing bill. From 1981 to 1986, the number of non-career Senior Executive Service members increased 13.1%, while the number of career SES members decreased 5.3%.

Psychic Income

I have many friends who once held responsible but not necessarily prominent roles in government and who now occupy prestigious and well-paid positions in the private sector—some of them very prestigious and very well-paid. Not one finds his present occupation as rewarding as his government service. If they feel this way, so must a lot of others, and that could explain why business executives are paid so much more than their government counterparts. Society treats public servants, together with teachers, ministers, and the practitioners of certain other honorable but low-paid callings, as the beneficiaries of a high level of psychic income. But the psychic income of public service is being steadily eroded, harming the government's ability to respond to the ever more difficult demands that the years ahead are sure to place upon it.

To combat this erosion, I and others have formed a National Commission on the Public Service. Headed by Paul Volcker, the panel will seek to build public awareness of the essentiality of the career services to carry out the national agenda, promote measures for strengthening the morale and efficiency of government employees at all levels, encourage the pursuit of excellence by government workers themselves, and make government a more attractive and accessible career choice for young people. The commission's effectiveness will depend on convincing business that it has an enormous stake in the fulfillment of these objectives.

A former cabinet member and ambassador, Mr. Richardson is a Washington attorney. This is adapted from a longer article written for the Ripon Society.

PUBLIC
SERVICE

BY MARK A. ABRAMSON

The Missing Issue: A Challenge to the 1988 Presidential Candidates

The 1988 presidential election is upon us. Candidate debates are under way. The Iowa caucuses are five months away. In 11 months, the presidential election campaign will begin. In 13 months, a new President will be elected.

The attention of the press is now on the horse race—who is ahead, who is behind, and who is gaining. The candidates are talking about issues—trade, Star Wars, welfare. Their staffs focus on raising money and getting the candidates past Iowa and New Hampshire.

To date, one crucial issue has not been addressed: governance. As in past elections, the actual running of government is getting short shrift from both the press and the presidential candidates.

There are, however, some signs of increased interest in the issue of governance. While much of it stems from the Iran-Contra controversy, there does seem to be a growing awareness that the success of an administration will depend, in large part, on the ability of the President to manage the behemoth of the federal government and to attract top quality managers to run its departments and agencies.

A *Los Angeles Times* editorial this summer urged us to closely examine the careers of each presidential candidate, and to ask such questions as, "What sort of managers are they? What sort of cabinet officers would they choose?" Former FCC Commissioner Nicholas Johnson posed a similar series of questions in a July op-ed piece in *The Washington Post*: "Is the candidate interested in the management of the federal government at all? What management experience, theories, preferences—or "style"—will he or she bring? . . .

"[Few] if any such questions are ever put to the candidates. They should be. Because the qualities it takes to govern are different from the qualities it takes to get elected."

Some of the Presidential candidates are beginning to address governance issues. When asked by the Center for Excellence in Government how he would select his cabinet and sub-cabinet, former Gov. Bruce Babbitt, D-Ariz., said: "You have to look at what people have done as a good reliable guide as to what they will do in the future. Select people who share your view of what the job is and then rigidly, insistently, ask for evidence of competence and achievement. The mistake that is made again and again is thinking that successful campaign people can transpose that success into government."

The challenge is for all presidential candidates to start thinking about and discussing the issue of governing. It is not too early for each candidate to begin planning for the "transition"—the 73 days between the election of our next President and the inauguration of that President on Jan. 20, 1989. Seventy-three days is not much time to put together a new government and get it off to a smooth start.

The transition offers the new President—and the nation—a rare opportunity to focus on the issue of governance. How is the new President staffing and structuring the White House? What types of individuals is the President appointing to run the government? What relationship is the President establishing with the cabinet?

The importance of the transition cannot be underestimated. After examining the transitions of five Presidents, Carl Brauer, Director of the Public/Private Careers Project at Harvard University, concluded: "Transitions are filled with peril and with opportunity. The ability of newly elected Presidents to avoid the former and make the most of the latter goes a long way toward determining their success in office and affects a great deal besides that."

By the traditional definition, the formal transition ends when the new President is inaugurated. But the concept of transition needs to be broadened. The reality is that government undergoes, in effect, a whole "transition year." The focus has traditionally been on the transition between one President and White House staff to another President and staff. But the transition is repeated in 13 Cabinet-level and numerous other agencies across the entire government. It often takes until spring for all key presidential nominations to be made and confirmed by the Senate. It then takes several additional months for new appointees to learn their agencies and to establish effective working relationships with other new appointees and career staff.

While doing their transition planning, candidates also need to think about how they are going to "orient" their new political executives. In government, unlike in corporate life, there has been no detailed succession planning in which executives are groomed over many years to assume key management positions. In our political system, appointed executives are literally thrown into the pool. Some are good swimmers, some are fair swimmers, and some can't swim at all. Yet there are no certified Red Cross lifeguards to test or improve their ability.

Just as we must get away from the idea of a single, 73-day transition, we must also get away from the concept of a single orientation. Past attempts at orientation have had mixed success.

The new administration needs to develop a wide variety of approaches and formats for executive training—ranging from supper meetings to weekend retreats. No executive can assimilate all that he or she needs to know in a day or two. A political executive orientation program must be developed for the entire course of an administration—not just for the first three to six months. Executives should have regular opportunities to reflect on their experiences and to discuss with each other the lessons they have learned.

There is clearly much for Presidential candidates to do between now and the conventions next summer. To receive their party's nomination, they must survive the primaries and prevail in the delegate count. No easy task. But governing isn't easy either. Somebody is going to win. That individual must be prepared to govern. ☐

Mark A. Abramson is executive director of The Center for Excellence in Government. He previously served in the U.S. Department of Health and Human Services.

NAPA

National Academy of Public Administration

STRENGTHENING THE U.S.-SOVIET COMMUNICATIONS PROCESS TO REDUCE THE RISKS OF MISUNDERSTANDINGS AND CONFLICTS

Panel Members

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Robert G. Bell
McGeorge Bundy
Frank C. Carlucci
Lawrence S. Eagleburger
Raymond L. Garthoff
Andrew J. Goodpaster
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Donald F. McHenry
William G. Miller, *Co-Director*
Philip A. Odeen
Benjamin H. Read, *Director*
Elliot L. Richardson
Brent Scowcroft
Marshall D. Shulman
Bromley K. Smith
Walter J. Stoessel, Jr.
Peter L. Szanton

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

Strengthening the U.S.-Soviet Communications Process to Reduce the Risks of Misunderstandings and Conflicts

A Report by a Panel of the
National Academy of Public Administration

April 1987

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

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National Academy Panel on Strengthening the U.S.-Soviet Communication Process to Reduce the Risks of Misunderstandings and Conflicts

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***See notes at page 47**

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

Preface

An effective process of communications can help prevent conflict between the United States and the Soviet Union.

The adversarial relationship between the superpowers stems from many fundamentally different goals and interests which cannot be changed by communications alone. Yet strengthened communications processes can narrow or prevent some of the misunderstandings that have threatened conflict in the past and could do so again.

Surprisingly little attention has been devoted to the overall process of U.S.-Soviet communications. Certain aspects of the process have been well explored, such as communications at summit meetings and the technology of communications. Most analytical studies and memoirs, however, concentrate heavily on the substance of the policies communicated rather than whether the communications were knowledgeably formulated, conveyed and achieved common understanding of areas of dispute and agreement.

Drawing on the experience and views of 200 present and past officials and experts, including contacts with former presidents and cabinet members as well as discussions with Soviet officials here and in Moscow, the study explored many vital facets of the communications process which are little known outside government circles. Panel findings and suggestions for ways in which the process can be strengthened should be of interest to government leaders, career officials, and other persons interested in U.S.-Soviet affairs. Regardless of viewpoints about superpower relations, every reader who agrees with President Ronald Reagan's oft-repeated dictum that "nuclear war cannot be won and must never be fought" should gain new insights about the importance of the communications process in avoiding conflict from the discussion, reasoning and proposals contained in this report.

The Study Panel which guided the project includes persons who have held political, diplomatic, military and intelligence positions of responsibility in the White House, National Security Council, State and Defense Departments and intelligence agencies during each of the last seven administrations. Members have participated in most of the significant events in U.S.-Soviet relations during the last three decades as presidential advisers, department and agency heads and aides, ambassadors, negotiators, interpreters, and congressional assistants. Some have specialized in and taught or written about Soviet affairs for many years.

Benjamin H. Read, attorney and former Under Secretary of State who served under three secretaries of state, directed the project. William G. Miller, president of the American Committee on U.S.-Soviet Relations, and a former foreign service officer with extensive-congressional experience, was co-director. They wish to express their appreciation to the many persons both in government and in private life who contributed ideas, comments and suggestions about the project and report, and their special thanks to Paul Light, the Academy's director of studies, the support staff of the Academy, and to Michael Kaven, research assistant.

Created in 1967, the National Academy of Public Administration is a nonpartisan, elective body. Its purposes as defined in its 1984 federal charter include serving as a source of advice and counsel for "evaluating the structure, administration, operation and program performance of federal and other governments and government agencies, anticipating, identifying, and analyzing significant problems and suggesting timely corrective action." Membership of persons with significant international affairs experience and achievements has been expanded in recent years, although the participation of distinguished non-member practitioners and experts (who constitute half of this Panel) are welcomed and valued.

Topics for additional exploration are suggested in the report. One such suggestion is for joint past-crisis analyses by Americans and Soviets who were directly involved in the decisions made during those events to explore the validity of operating assessments made at the time about the intentions of the other side. The Academy intends this study to be the first in a series dealing with the national security affairs.

Major support for the U.S.-Soviet communications project was provided by the Ford Foundation, the Gund Foundation, the W. Alton Jones Foundation, the MacArthur Foundation, and the Ploughshares Foundation. On behalf of the National Academy, I would like to acknowledge with gratitude the financial contributions of each of the foundations.

The views expressed in the report are those of the Panel and should not be attributed to the donors or to the trustees, officers or staff members of the National Academy of Public Administration.

Ray Kline
April 1987 *President*

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NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

Introduction

The state of government-to-government communications between the United States and the Soviet Union can be viewed in different lights.

In a technical sense, telecommunications capabilities between Washington and Moscow have advanced dramatically in recent decades. National leaders can now send and receive high-speed written or graphic material by means of secure and reliable satellite systems. Open phone conversations can be held with minimal delays.

There have also been advances in direct, face-to-face communications. Long-standing negotiations on strategic arms reductions and limitations, nuclear proliferation, and other subjects, even when agreements have not been achieved, have had some success in narrowing differences and developing common definitions and approaches. Numerous official contacts on other matters have started or resumed after a hiatus following the Soviet invasion of Afghanistan. Most participants report that the exchanges have produced more realistic understanding on both sides of bilateral relations and issues of importance to each.

In a fundamental sense, however, there have been no appreciable communications advances. The ability of each government to comprehend the geo-political interests, perspectives, motivations, intentions, and reactions of the other, to take cognizance of such factors in reaching its own decisions, and to convey its substantive views without distortion remains extremely limited. In East-West relations, Helmut Schmidt has written, "worst case scenarios reign supreme."[1] This is particularly true during crises. In such situations mutual distrust and established practice usually lead each superpower to take actions unilaterally without preliminary sharing of assessments with the other, even when its evidence is fragmentary, ambiguous or contradictory.

This is scarcely surprising. The differences between the open, pluralistic society of the United States and the closed, one-party Soviet society are based on conflicting values, interests and goals. The relationship has been intensely adversarial. The two nations are bound to encounter many difficulties—cultural, perceptual and linguistic—in conveying and exchanging views effectively.

In many areas, superpower competition remains an intractable fact of life, and more effective communications would accomplish little, if anything.

When U.S.-Soviet direct conflict threatens, however, and in other situations where mutual interests outweigh differences or where disputes are based on misunderstandings, fuller communications in the fundamental sense noted above can play a vital role in preventing, ameliorating or resolving conflict.

Most experienced observers of U.S.-Soviet relations now agree that escalation stemming from unexpected and unwanted developments, such as those triggered by third country actions, accidents, or nuclear terrorism, probably poses the greatest threat of superpower conflict. These are precisely the kinds of developments in which information and analysis is apt to be incomplete or erroneous and communications between U.S. and Soviet leaders prone to serious misunderstandings.

The avoidance of direct conflict for more than four decades despite many provocations, incidents and crises is an achievement that warrants some confidence about the future. Each side has demonstrated restraint at crucial times and managed not to allow serious incidents to erupt into hostilities that neither could control.

Even though there have been no serious threats of direct U.S.-Soviet armed conflict for several years, there are no grounds for complacency. Exponential increases in the speed, accuracy, destructive power and stockpiles of strategic weaponry on both sides have reduced drastically the time needed for deliberation and communication. There have been occasions in the '60s, '70s and '80s when one side was at a high state of tension or alert based on erroneous perceptions and the other was completely unaware of such concerns. In each instance, although conflict was avoided, unwitting missteps could have had far-reaching and dangerous consequences. And yet on most of these occasions, communications that could have identified misunderstandings were not even attempted.

Objectives

This study of the nature and problems of the U.S.-Soviet communications process has been undertaken because of the view of Panel members that the subject is one of substantial importance that has not been adequately explored to date by persons with broad experience with the process.

The objectives of the project have been to:

> analyze *actual and potential difficulties* facing the governments of the United States and the Soviet Union in *communicating in a knowledgeable, accurate, timely and effective manner* that achieves common understanding of areas of agreement and disagreement during *normal times as well as crises*; and
>
> recommend both *unilateral and bilateral actions for strengthening communications* through *improved individual practices, procedures, organization and technology* to help reduce the risks of misunderstandings and conflicts.

The dual focus on "actual and potential" difficulties of communication indicates the Panel's concern not only to learn from the lessons of the past but also to identify latent areas of weakness that need strengthening.

"Knowledgeability" is obviously an essential element for effective communications between the leaders of the two nations. The fullest possible awareness of relevant facts, analyses, alternative means of communication, and probable Soviet interests, perceptions, motivations, intentions and likely reactions to possible U.S. responses and initiatives—are all factors that need to be considered.

The "accuracy" of East-West exchanges is subject to many pitfalls, particularly when oral communications are filtered through interpreters and other intermediaries. These problems are addressed from several viewpoints.

The difference of eight time zones between Washington and Moscow often makes "timely" delivery of messages hard to accomplish. During standard time there are no hours that fall within the normal business days of both capitals, 12 to 14 hours daily when top officials in one capital or the other are apt to be asleep. Conveying important communications without delay is most uncertain during weekends, holidays, and vacations. Several regular and standby arrangements are suggested to deal with the problem.

Establishing agreed preferred procedures for conducting communications in non-crisis times is given close attention in the report, since the difficulties of setting up such procedures during actual crises are far greater.

The Panel has made recommendations to strengthen communications by both "unilateral and bilateral actions." There are a number of constructive steps that the U.S. government could institute without Soviet concurrence, and they have been explored as fully as actions requiring negotiation and agreement.

Most of the Panel's suggestions deal with "individual practices, procedures, (and) organization" rather than the technology of communications, although additional electronic communications links are also proposed.

The word "communicate" is derived from the root Latin word "communis" meaning "common." It is easy to communicate "at" but difficult to communicate "with" another party, particularly an adversary, and harder still to achieve through communications a realistic "common understanding of areas of agreement and disagreement." But it is in this more basic sense that the Panel has sought to view the communications process.

Premises and Scope

Communications can facilitate or hinder the conduct of U.S.-Soviet relations, not alter the underlying adversarial nature of such relations.

The project has been concerned with the processes which determine whether the views communicated are informed, accurate, timely, comprehensive and conveyed as intended. It has not attempted to chronicle or evaluate past or present policies or events, except insofar as they may illustrate communications problems and processes.

Regardless of the nature of U.S. and Soviet policies and relations at any given time, the clear articulation and discussion of views in bilateral communications in order to avoid misunderstandings that could lead to conflict is usually in the national interests of both countries. Particularly during crises, both governments share a mutual interest in ascertaining that the best possible means of communication are available to both sides.

In 1986 leading American and Soviet citizens made strikingly similar statements about the need for each side to take the security interests of the other into account in determining its policies and actions. Indeed it would be hard to distinguish the different nationalities of the authors of the following statements:

> In the nuclear age there can be no security in the East or the West unless it is mutual security.[2]
>
> One's own security cannot be built at the expense of others.[3]
>
> The highest wisdom is not in only worrying about oneself, or, even more, about damaging the other side; it is necessary for all to feel they are equally secure, because the terrors of the nuclear age give rise to unpredictability and specific actions.[4]

Attempting to determine unilaterally the essential security interests of the other superpower in potentially dangerous situations without a full exchange of communications is unlikely to be successful. As Elihu Root wrote many years ago, "Given two groups of men, each having a different inheritance of custom and tradition, each will have different understanding of written and spoken words, of the reasons for conduct and the meaning of conduct, and each will to a very considerable degree fail to understand the other. Neither can judge the other by itself."[5]

The study does *not* deal with wartime or war termination communications, risk reduction and confidence-building measures unrelated to communications, or communications about subjects under active negotiation. Classified information has not been sought or used.

Contents

The report is divided into five chapters. The first deals with issues and proposals of direct presidential concern: When and how can an incoming president without significant knowledge of U.S.-Soviet affairs best obtain such knowledge? How can he identify and use to greatest advantage the most experienced and best informed advisers? What channels of communication should be chosen to conduct vital exchanges? How can a president protect himself against the confusions spread by unauthorized persons who may purport to speak on his behalf? How can he obtain the most competent advice available about Soviet intentions and reactions? When should he authorize the sharing of preliminary assessments and concerns with Soviet authorities?

The second and third chapters discuss information and analysis of Soviet affairs at various levels of government. Steps are suggested to expand certain sources as well as to improve selection, reporting, presentation and retrieval of information. Other suggestions are included which are designed to give additional analytical perspectives, including fuller estimates of probable Soviet interests, objectives, and reactions, to persons responsible for policy decisions.

In the fourth, attention is given to the choices and uses of the multiple communications channels and meetings that may be available at any given time; the proposal for risk reduction centers in both capitals; fuller use of the hotline; additional technical links; and the problems of gaining access to Soviet leaders.

The final chapter deals with personnel and organization matters and some of the means of assuring the availability of trained persons with the skills, experiences, and organizational support needed for the successful conduct of U.S.-Soviet relations now and in the future.

Some of the recommendations appearing under 30 separate section headings are closely related. Most are discrete and separable. But all are designed to reduce the risks of conflict and misunderstanding by strengthening the process of U.S.-Soviet communications.

A summary is included at the end of the report as well as notes of source material cited in the text.

Note: While every Panel member does not agree with every recommendation in the report, no recommendation is included which is not supported by a substantial majority of all members.

CHAPTER 1

Presidential Issues

Presidents enter office with varied backgrounds, experiences, views and knowledge of Soviet affairs and limited awareness of the many government and non-government experts and resources that are available to assist them in understanding and managing U.S.-U.S.S.R. relations. The issues discussed and proposals made in this section are ones that should be of direct concern and interest to presidents and their principal advisers in the handling of relations with the Soviet Union.

The following subsections deal respectively with (a) campaign and transition background briefings about the Soviet Union; (b) selecting and using to the greatest advantage the most knowledgeable and experienced experts on Soviet affairs; (c) correspondence; (d) meetings with Soviet general secretaries; (e) the selection and use of trusted advisers for communications during crises; (f) authorizing the sharing of certain preliminary assessments and concerns with the Soviets; (g) the problem of compartmentalized information on the part of closest aides and advisers; and (h) the need for improved coordination of administration public positions regarding U.S. policies toward the Soviet Union.

(a) Campaign and Transition Briefings

> Of all our twentieth century Presidents, only two, Eisenhower and Nixon, can be said without quibble to have come to office with deep firsthand knowledge of the world outside America—Alexander Haig.[1]

Former Secretary of State Haig's observation is hard to dispute at least insofar as post-World-War-II presidents are concerned. In terms of significant prior experience with the Soviet government and knowledge of the Soviet society, a similar point could be made—with some notable exceptions—about most incoming Cabinet-level foreign affairs officials.

This is scarcely surprising. Many other factors dominate the election and appointment process. But it places a heavy premium on the briefing process used to help incoming presidents acquire the information and background knowledge about the Soviets needed to make sound foreign policy decisions once in office.

In the postwar period, it has become traditional early in a general election year for the incumbent president to offer current national security briefings to major party and significant independent primary election candidates for president. Such briefings have been given at different times by the secretary of state, national security adviser, or a designated top aide. After the conventions, the major candidates or their designees are briefed at intervals determined by external events and campaign schedules, sometimes by the president directly during crises, more often by the secretary of state, national security adviser, or the director of central intelligence.

After the election the director of central intelligence has usually been the official, particularly when there is a change of parties, to brief the president-elect periodically. In addition, of course, there have usually been one or more transition discussions between the incoming and outgoing presidents which have dealt primarily with foreign problems, and several special briefing sessions set up by the president-elect directly or by his transition team or Cabinet-level designees for foreign affairs which often involve government career experts.

These briefings and discussions have been devoted almost exclusively either to current intelligence or to contemporary problems and responsibilities of office. Rarely have they dealt more than tangentially with the roots of such issues and problems or the probable thought processes or intentions of the other governments involved. If a new president has not already acquired such background knowledge before taking office, daily operational duties make it difficult to acquire such knowledge on any systematic basis.

Several factors tend to prevent the holding of such background briefings during campaign and transition periods in addition to the obvious heavy competing scheduling demands.

The incumbent administration's handling of international issues and particularly East-West relations has become a contentious issue in all recent national elections. As campaigns unfold, criticism of existing policies usually intensifies. Candidates may resist official briefings because of concerns about the inhibitions imposed by acquiring classified information or about vulnerability to charges of "brainwashing." The successful candidate and his foreign policy advisers usually become convinced that their winning campaign-foreign-policy themes offer more promise than existing policies. Distrust of such policies tends to carry over indiscriminately to distrust of career as well as political officials associated with the prior administration and its policies.

Thus the voluminous briefing books on current issues traditionally prepared by career officials are apt to be viewed with considerable skepticism by the new leadership. Incoming political appointees are often not ready for or receptive to such detailed information. And the books prepared in a short time frame by the incoming departmental transition teams in 1976 and 1980 have other shortcomings. The teams, which tripled in size between the last two transitions, have been constituted largely of campaign workers and persons hoping for positions in the agency they are reviewing. Their work is apt to reflect the search for justification and implementation of campaign themes rather than balance and comprehensiveness. As observed in a recent report of a commission on presidential transitions, chaired by former Secretaries of State William Rogers and Cyrus Vance, ". . . campaigns, elections, and transitions sometimes overemphasize the value of change and underemphasize the value of continuity."[2]

In the view of the Panel neither the official executive branch nor the transition team briefing papers provide sufficient useful information about the processes that the new administration can employ to marshal the many assets of government. Nor do they enable the new president to avail himself of the best information and analysis of international events and developments.

Whatever the reasons, it is clear that serious distortions may gain credence during elections and transitions which tend to confuse the real issues between the United States and the Soviet Union. In this regard, one need only recall the perceived but fictitious "missile gap" of 1960 and certain exaggerated concerns about "windows of vulnerability" 20 years later. Convincing political leaders that some of their campaign themes were based on false or distorted reasoning can take considerable time. References to united goals of the "Sino-Soviet bloc" were voiced long after the 1959 schism between the U.S.S.R. and China and continued to confuse U.S. understanding of the true nature of competing Russian and Chinese interests in Vietnam throughout much of the long conflict there.

Several former secretaries of state and defense have suggested that incoming presidents who are not already steeped in such matters should be offered expert background briefings on Soviet affairs, apart from and in addition to current intelligence briefings and discussions of immediate problems at the earliest feasible opportunity.[3] As Dean Rusk added, "The superpower relationship is unique in its potential for human destruction, and there should be no hesitancy in singling out the subject for special background briefings." The former Cabinet officers were of the view that such briefings would lessen the chances that the successful candidate would take unrealistic public positions and statements that could have long-term adverse effects. Former President Jimmy Carter stated that the process should begin well before the transition period.[4]

Former Vice President Walter Mondale suggested that the briefings begin even before the convention when a candidate has acquired the commitments needed for nomination, or in other cases immediately after the convention and before the fall campaign has started.[5] Because of the crowded campaign calendars, some are skeptical that useful background discussions could be scheduled before the election, although most think that such briefings could be worked in during the transition. Still others think that the approach of the first operational requirement involving U.S.-Soviet relations—a first summit meeting, initiation or resumption of important negotiations, or a crisis—is needed before a president-elect or new president would be fully receptive to obtaining expert views about what the Soviets are really like and how they tend to think.

But all those consulted agree: such briefings would be desirable, and the earlier the better.

The briefings should focus on the most relevant aspects of Russian and Soviet history and culture, social, economic and political trends, and evolving Soviet perspectives about the United States and international affairs. Obviously the relevant knowledge and experience of incoming presidents will vary greatly as well as their awareness that they may lack such knowledge. Certainly, presidents will have different preferences and tolerances for learning and studying such matters. Some would not need or want such sessions. Clearly the briefings should be carefully prepared and tailored to best serve the individual needs of each new leader.

The nominee or president-elect should determine who would conduct and attend such briefings. Undoubtedly the primary foreign affairs advisers from the campaign and future Cabinet-level officials when identified would be included along with academic and other experts on Soviet affairs on whom reliance is placed. Ideally such experts would represent a fairly broad spectrum of opinions rather than single narrow viewpoints.

Incoming national leaders would be well advised to also include in their briefings some of the best career officers in government who have had substantial experience with Soviet authorities, such as present or former ambassadors or ministers to the U.S.S.R. or State Department country directors for Soviet affairs. Although some officials on active duty might be inhibited from expressing their own views frankly for fear of jeopardizing future assignments, particularly if their designated new agency head was present, others would not be so constrained. The administration in office should encourage and facilitate their participation. A secondary benefit of such a procedure would be to help the incoming president become acquainted with and evaluate some of the experienced career officers with whom the new administration will be working in the future.

Another procedural suggestion recommended by the Panel involves the preparation of national estimates of Soviet outlook for use in transition periods. For many years the intelligence community has prepared for annual late-fall distribution a formal national intelligence estimate of Soviet military capabilities. These extensive formal papers are the product of many months of work, and many of the sentences, words and footnotes have been debated at length and dissenting agency views duly recorded. The formal estimate is a useful paper for experts but ill-adapted to the needs of an incoming president because of its length and detail. It does not cover, as it did in the '50s and early '60s, many key aspects of Soviet political, economic and other highly relevant problems, views and trends that would help an incoming president determine policy.

The National Security Council (N.S.C.) staff is usually in the best position to draw from the diplomatic, defense, intelligence, and other agencies of government their best estimates of the relevant factors of major policy importance and to correlate, summarize and present them to the chief executive in the most usable format. When there has been a change in party control of the White House in recent years, however, it has usually been accompanied by a drastic turnover of N.S.C. staff, and the latter tend to be viewed with some distrust by the incoming appointees. This has reduced substantially the ability of the staff to undertake such a process, which may cut across deep jurisdictional divides and jealousies among the departments and agencies, and to present comprehensive, balanced views to a new president.

Without major reorganizational moves, which are beyond the compass of this report, the Panel suggests that the best alternative is to require the principal national security departments and agencies to place far more attention on preparing a series of briefer estimates and outlook papers, which are specially designed for the needs and time requirements of the incoming president and do not overwhelm him with details or advocate single solutions where there may be strong divisions of views. Such papers should discuss basic assumptions and premises, state both dominant and significant dissenting views about major issues, and emphasize the many resources and methods which will be at the disposal of the new administration to assist in reaching its own conclusions and determining its own policies.

Incidential benefits of such a revised process of estimates would be to enable the officials who brief the incoming president to speak with greater authority on a wider range of relevant East-West issues and to provide a means for incoming officials to measure the validity of the briefings. One recent C.I.A. director found, for instance, that some of the president-elect's political advisers were undercutting his briefings on Soviet affairs by wrongly asserting that they did not represent the views of the intelligence community and ignored conflicting views.[6] No one still knows what C.I.A. Director Allen Dulles may have said in briefing President John Kennedy about Cuba in 1960.[7] A revised and broadened estimate process would provide a method for assuring that a president-elect had the opportunity to learn relevant majority and minority views about vital issues.

Recommendations:
Campaign and Transition Briefings

(1) At the earliest feasible time in presidential election campaigns and during transitions, the principal presidential candidates and presidents-elect should be encouraged to schedule carefully prepared background briefing sessions with leading government and private experts focused on relevant aspects of Russian and Soviet history and culture, social, economic and political trends, and evolving Soviet perspectives about the United States and international affairs.

(2) Briefing materials and estimates about Soviet affairs prepared for the incoming president by the diplomatic, defense, intelligence and other departments and agencies should cover major political and economic as well as military issues of consequence. They should be written with keen awareness of the president-elect's individual needs and severe time constraints. Such papers should clearly show the major trends of thought and significant dissent within government rather than attempt to advocate single viewpoints or to overwhelm with details. They should provide more information about the human and material resources that are available to assist the new president in reaching his own policy conclusions.

(b) Use of Experience and Expertise

Every president needs to obtain the most realistic and objective advice available to understand Soviet developments, interests, and intentions in reaching crucial decisions affecting U.S.-U.S.S.R. relations.

The Soviet system differs fundamentally from ours in ways that are difficult to understand from Western perspectives. Presidents who rely on their own instincts to fathom the probable reasons for Soviet words or actions that present possible threats or opportunities for American interests and to estimate likely Soviet responses to alternative U.S. moves and statements are taking unwise risks. A true "feel" for Soviet society and leaders requires extensive experience and expertise.

Cabinet-Level Foreign Affairs Officials

A new president, particularly an incoming one without much international experience after there has been a change of the party in control of the White House, faces some basic but little recognized problems in obtaining needed expert advice about the Soviets.

His new Cabinet-level foreign affairs team to whom he turns for advice may also lack direct experience with the Soviets. Of the 29 men who have served during the last quarter-century as secretaries of state or defense, national security advisers, or C.I.A. directors, half had some prior international experience in government; six were academic foreign affairs experts. Several had had official or unofficial contacts with the Soviets and some had visited the U.S.S.R. before taking office. But despite their many attainments and wide knowledge, none had prior official negotiating experience with the Soviets. None had studied, resided or worked in the Soviet Union. None spoke fluent Russian.

A new secretary of state, national security adviser or other official who undertakes the role of advising the president about likely Soviet intentions or reactions labors under several disadvantages in addition to lack of significant firsthand experience and specialized knowledge.

First, the world-wide responsibilities of every department or agency head make it difficult to keep abreast of all Soviet developments which could affect us and to form judgments about the circumstances giving rise to them and probable Soviet interests and intentions.

Second, the Cabinet-level official may not have established sufficiently close and confident working relations with the president to know what information and advice he most needs.

Third, the advice offered at least initially is normally based heavily on the counsel of Soviet experts in the official's department or agency. It may be offered before the Cabinet member or agency head has been able to fully evaluate the experts, who may be completely unknown to the president.

And finally, the official who repeatedly takes on the role of advising the president and his colleagues about likely Soviet interests and perspectives does so at risk to his own standing. Such advice, though highly relevant, can appear obstructive, dilatory or apologetic. In the words of a recent report issued by a committee of the Bar Association of the City of New York chaired by former Secretary of the Army Stanley Resor, "There is a natural reticence to appear to be representing the Soviet case."[8]

To obtain such advice, presidents have used various procedures. Sometimes they have allowed or assigned a top political appointee to express "devil's advocate" opinions about possible Soviet and other adversarial reaction to U.S. actions under consideration, as President Lyndon Johnson did with Under Secretary of State George Ball on certain issues during the Vietnam War. Secretary of State Dean Rusk used to append to his daily evening reading notes for the President information about U.S. military plans and actions which could appear escalatory to the North Vietnamese, Chinese or Soviets. On other occasions presidents have convened bipartisan "wisemen" or "elder statesmen" groups or commissions of former officials to consult and make recommendations on controversial national security policies which have significant consequences for U.S.-Soviet relations.

While such practices can help broaden presidential awareness of the issues involved and likely Soviet interests, the views expressed have sometimes been discounted as one-shot opinions by groups of persons not fully aware of current complexities or as individual role-playing not based on first-hand experience.

Other Official and Unofficial Advisers on Soviet Affairs

"Most presidents want a diversity of advisers on important issues such as U.S.-Soviet relations," former President Carter said recently.[9] A review of the practice and writings of most recent presidents reflects similar views. But it also shows that the circle of presidential advisers present when foreign policy decisions are made usually gets smaller, and both presidents and advisers tend to become overconfident of their own judgments and less open to other views with passage of time. John Eisenhower has written about the process in the following terms:

> It seems that the longer a president is in office, the more headstrong he becomes. If in office long enough, he may approach the omnipotent—in his own mind. The hubris spreads like a disease to the president's associates. The trend seems to be for staff officers to consider themselves powers in their own right . . . (They) believe that critics outside the hallowed walls were either prejudiced or uniformed, sometimes both.[10]

As Walter Mondale has pointed out, a "siege" or "us versus them" mentality sets in at the White House in many administrations, and "them" includes Cabinet officers viewed as having been "taken over by their departmental career people." In many instances the circle of advisers with whom the president is comfortable becomes limited to three or four Cabinet-level officials and one or more favored White House aides; others are viewed as somewhat "suspect."[11]

When they want to broaden their base of advice, presidents can turn in one or both of two directions: within the government to career officials in the Foreign Service or in other departments or agencies who have specialized in Soviet affairs; and to non-government Soviet experts, who may be given official appointments or remain in private life and may or may not have had prior government experience.

Several factors have worked against fuller use by new presidents of Foreign Service and other career officials who have the most advanced, first-hand experience and knowledge of Soviet leaders and of bilateral negotiations.

Increasing domestic political controversy about U.S. policies towards the Soviet Union since the '60s and distrust of prior administrations of a different party are clearly major factors. Career officers who have held key positions under a former president or Cabinet officer often find that they are sidetracked because of assumed responsibility for and agreement with rejected policies.

Derogation of "the bureaucracy," which has been a prevailing campaign theme in the last three presidential elections, has been indicative of an attitude which has carried over well beyond the start of new administrations. A new president's term is often well advanced before he discovers anew the value of using experienced career officers with their strong sense of institutional loyalty to the office of the presidency. For instance, when Ambassador Jack Matlock, former deputy chief of mission at the U.S. Embassy in Moscow and newly-designated ambassador to the Soviet Union, was appointed to the National Security Council staff in 1983 as senior assistant on Soviet affairs, he was the first foreign service officer to serve on the N.S.C. staff during the Reagan administration. In contrast, William Hyland, a government career Soviet expert who had held important State and C.I.A. positions, remained in place on the N.S.C. staff for several months after the 1976 transition and was able to provide President Carter and his foreign policy advisers with much valued counsel based on his prior participation in and knowledge of Soviet affairs.

There are other reasons why Foreign Service experts on Soviet affairs have not been used by presidents as much as they were in the past.

In what is sometimes referred to as the "golden era" of prewar, wartime, and postwar Foreign Service advisers on the U.S.S.R., George Kennan, Charles E. "Chip" Bohlen, and Llewelyn "Tommy" Thompson served with distinction as counselors to a succession of presidents of both major parties.

Thompson, who served two stints as ambassador to the Soviet Union, is often cited as a model. Like Kennan and Bohlen, he had several assignments during a long Foreign Service career which broadened and deepened his knowledge of Soviet affairs. During the first of his two tours as ambassador to the Soviet Union, he had a number of discussions with Khrushchev, who invited Thompson to spend weekends with him at his country dacha. Thompson's background cables on bilateral relations at the time of transition in 1961 are still worthy of study.

It was virtually impossible to apply to Thompson the unfortunate "hard" or "soft" labels now given so glibly to Soviet experts, because his counsel on any given occasion was balanced, objective, and because he had proven good judgment. Associates recall times during East-West crises over Cuba, Berlin and the Middle East when he would advise pushing Moscow harder and other times when he would urge positions that took into fuller account Soviet political necessities and perspectives. In doing so he would often check with Bohlen and Kennan when they were serving abroad and be able to cite their views as well. Secretary of State Rusk used to bring Ambassador Thompson with him to participate in meetings with Presidents Kennedy and Johnson, and the presidents also found private occasions to solicit Thompson's personal views.

Although Thompson's ready access to Krushchev may have been due in part to the latter's freewheeling, uninhibited style, it should be stressed that his special weight in government circles was based significantly on the fact that he alone could speak with direct authority about the Soviet leader.

By comparison, contemporary Foreign Service Soviet experts have often been viewed critically—without recognition of the handicaps they have had to work under. There has been minimal appreciation by political leaders of the problems caused by their own lack of self-discipline. In the past, for example, several presidents and their principal advisers dealt directly with former Ambassador Anatoly Dobrynin on numerous occasions during his long period in Washington or directly with his superiors in the Soviet hierarchy, sometimes without involving or even informing our ambassador in Moscow. Such practices clearly diminish the

the long term usefulness of career Soviet experts. A number of steps have been taken in the last few years to end such unwise practices, but they had had a crippling effect on the fuller development and recognition of a whole generation of Foreign Service officers in the field of Soviet affairs. Many have left the Service at comparatively early ages. No former ambassador to the Soviet Union remains on the active rolls today.

Under the circumstances, presidents and their Cabinet-level advisers have often turned to non-career persons for assistance and expert advice on Soviet matters, occasionally appointing them to key government positions. Sometimes this has been successful, as exemplified by the distinguished service of the late W. Averell Harriman, our wartime ambassador to the Soviet Union; sometimes not, when an inexperienced appointee holds fixed preconceptions or theories and fails to comprehend real and changing conditions.

When presidents choose to rely on non-career experts, every effort should be made to support and staff the persons selected so they can perform as effectively as possible, or if they remain in private life, to help them keep abreast of major developments. But the difficulties of acquiring on-the-job training and familiarity with the workings of both governments and the thinking of Soviet leaders should be made clear to presidents before they decide to rely primarily on advisers who have had no such experience.

Non-Use of Expertise and Soviet Comparisons

The disadvantages of not using the best available experts can be high. Unwillingness to have American negotiators informed about or involved in many of the key developments in White House direct contacts with the Soviets during the years of negotiations leading up to the SALT I treaty in 1972 resulted in several inadvertent and unnecessary delays and ambiguities in the terms of the treaty according to the U.S. chief negotiator.[12]

Five years later most of the holdover career officials with pertinent negotiating experience were not consulted before submission by the Carter Administration of its initial SALT II proposals calling for deep heavy missile cuts and other basic changes in the treaty draft that had been under negotiation in the Nixon-Ford years, and the new proposals were rejected almost out of hand by the Soviets. Most key officials of the period regret that they did not voice forcefully enough to President Carter the likelihood of the Soviets' negative response, which the experts believed was highly predictable.

General Secretary Mikhail Gorbachev has a distinct advantage over President Reagan in terms of the availability of advisers with long experience in U.S.-U.S.S.R. bilateral relations. He is able to call on several Soviet "Americanists" in present senior party and government positions who have had long and detailed knowledge, experience and involvement in bilateral relations over many years: Chief of State, Politburo member, and long-time former Foreign Minister Andrei Gromyko; Central Committee International Department secretary and former ambassador to the United States, Anatoly Dobrynin, and his deputy Georgi Kornienko, former first deputy foreign minister and deputy chief of mission (DCM) in Washington; chief arms negotiator Yuli Vorontsov, also a former DCM in Washington; Deputy Foreign Ministers Viktor Komplektov and Aleksander Bessmertnykh, another Washington DCM; and chief of the Foreign Ministry department of arms control Viktor Karpov. All speak English. All have served in Washington. In addition he can receive advice from various institute directors, academicians and others who have acquired expertise in U.S. affairs, met with Americans often, and speak fluent English.

There is no one with comparable responsibilities in the Reagan administration today, other than Ambassadors Paul Nitze and Jack Matlock, who had high level negotiating or other experience with the Soviets prior to 1981.

Conclusions

Presidents have not always sought out or used the most experienced and knowledgeable experts available in public or private life to advise them on Soviet affairs. It is essential that they make use of such advice in making major decisions affecting our relations with the U.S.S.R. Failure to do so runs a high risk of making basic mistakes about probable Soviet interests, intentions and reactions.

Whenever possible, a president should consult an expert with substantial first-hand experience with Soviet affairs and Soviet leaders before making decisions about matters concerning U.S.-Soviet relations. And he should personally charge the expert of his choice with responsibility for stating his own and other leading experts' views about probable Soviet intentions in the events and contingencies involved.

As the Resor Committee report stated: "Whatever format a President finds convenient for receiving such advice (on Soviet interests)—whether from senior American diplomats with long experience in Soviet affairs, or from independent experts, scholars or former officials—he should require it."[13]

Inclusion of an experienced Soviet expert in key presidential deliberations is clearly of paramount importance. But it is also important that the adviser have strong institutional and staff support, and this militates in favor of locating him in the Department of State. In order not to derogate from the secretary of state's duties in such crucial matters, the secretary should have a key voice in the selection process, and the adviser chosen should have clear responsibilities to the secretary of state as well as to the president.

Informal selection and operational procedures for such advisers without designation of a new office and title would tend to provide presidents with needed flexibility and cause least bureaucratic infighting and public controversy.

Finally the Panel suggests that incoming presidents would be well served by providing for some carry-over of career professional N.S.C. staff officers with expertise in Soviet affairs to acquaint the incoming chief executive and his immediate aides with past developments and supply expert advice as needed. In section 2 (d) of the report, there is a discussion of the institutional memory problems of reconstructing past events which have been encountered by most administrations. Their problems are considerably aggravated when there is no continuity of key personnel on the N.S.C. staff between administrations.

Recommendations:
Fuller Use of Experience and Expertise

(1) Presidents are strongly urged to consult trusted, respected and experienced experts on Soviet affairs before they make decisions affecting U.S.-U.S.S.R. relations.

(2) In the choice of such expert or experts, extensive first-hand prior experience with Soviet leadership should be considered a crucial advantage. Russian language proficiency should be a requisite. Presidents should require opportunities to consider and evaluate several candidates before choosing such advisers.

(3) Experts selected to participate in such meetings should be charged explicitly by the president with expressing their own views as well as those of other leading experts about probable reasons for Soviet words and deeds that may be at issue and likely Soviet reactions to various U.S. responses or initiatives under consideration.

(4) The most flexible, least politically vulnerable, and least controversial organizational arrangements would be informal ones avoiding the designation of a new office and titles. The Soviet experts chosen by presidents should be located in the State Department with authority and responsibility to draw on the resources of all departments and agencies and to keep them briefed as fully as is possible and appropriate. Secretaries of state should have key roles in the selection process, and the advisers should have clear responsibilities to the secretary of state as well as to the president.

(5) Presidents should direct that the senior career service Soviet expert on the N.S.C. staff be held over for a further period of assignment after a party change in control of the White House in order to provide such advice on past and present Soviet developments as may be needed.

(c) Correspondence

A primary means of communication between the President and the Soviet General Secretary is, of course, correspondence, which usually begins with the customary exchange of messages when a new leader takes office.

The amount of correspondence between the leaders of the two countries has fluctuated widely. In the prosecution of the war against Hitler, President Franklin Roosevelt and Marshal Joseph Stalin exchanged nearly 400 communications. With the onset of the Cold War, the correspondence between Harry Truman and Joseph Stalin dropped markedly and was limited largely to sporadic protests and rejoinders. After Stalin's death Soviet leader Nikolai Bulganin started corresponding with President Dwight Eisenhower, and 70 communications were exchanged before the end of the Eisenhower administration.[14]

A substantial exchange of communications has occurred during all recent presidencies. Former President Jimmy Carter, for instance, has described as "voluminous" the correspondence he maintained with Brezhnev from 1977 to 1981. He said that he had made many efforts to make the exchanges more productive, sometimes writing his letters in long-hand to show his personal involvement. But Brezhnev's replies (unlike Khrushchev's) always looked like "committee products" of the Soviet bureaucracy. When he met the General Secretary in Vienna in June of 1979, Carter said that Brezhnev revealed a manner of speaking in private talks that was readily distinguishable from the tenor of his correspondence.[15]

The memoirs of presidents and other former high officials and the recollections of Panel members who were privy to highest level correspondence in the past indicate that most, if not all, of the exchanges have been devoted to urgent current issues or negotiations on points in dispute between the two countries, and the messages are replete with warnings and protests.

Correspondence which explores additional, less contentious subjects in the exchanges, former high-level officials have suggested, could help identify and expand areas of mutual interest between the two countries when that is consistent with current policy goals.[16] The State Department would be in the best position to suggest the subjects that might be most appropriate for this purpose and to suggest draft language for presidential consideration.

Recommendation: Correspondence

Presidential correspondence with Soviet general secretaries should be broadened to include points of information and inquiry about issues of possible common concern which are not in contention or negotiation between the governments, in order to explore, identify and expand potential areas of mutual interest, when such efforts are consistent with current policy goals.

(d) Summit Meetings

Summit meetings between the national leaders of the United States and the Soviet Union obviously provide the most dramatic form of communications between the two governments. Numerous analyses have been written about the meetings, commenting among other things on their accomplishments, the negotiating strategy and tactics employed, the need for meticulous preparation, and the hazards posed by the difficulty of obtaining reconsideration, when needed, of decisions made at the top. This section deals exclusively with three aspects of the summit process: the frequency of the meetings, the element of surprise, and the records of the discussions.

Frequency

Each of the last seven presidents has met at least once with the leader of the Soviet Union. The advantages of holding regular, if not annual, summit meetings with Soviet general secretaries have been recognized explicitly by all recent presidents.

After the November 1985 Reagan-Gorbachev summit meeting at which the leaders agreed to meet again, once in the U.S. and once in the U.S.S.R., President Reagan authorized his spokesman to state that "the opportunity for the two leaders to meet on a regular basis was one of the main goals we sought at Geneva, and we achieved it. We think there's ample cause to meet on a regular basis."[17]

Immediately after the breakoff of their October 1986 meeting in Reykjavik, despite the prevailing mood of disappointment that mutually acceptable understandings were not reached, both leaders spoke of the usefulness of their discussions. President Reagan stated that "We made great strides in Iceland in resolving most of our differences, and we're going to continue the efforts," while General Secretary Gorbachev noted that "the roads we have traveled towards . . . major accords on the reduction of nuclear arms give us substantial experience, give us substantial gain here in Reykjavik . . . We are not withdrawing the proposals that we have put forward."[18]

Former President Carter stated in 1978 that he would welcome "a chance to meet with General Secretary Brezhnev on a continuing basis, annually at least" without tying such meetings to the signing of major new agreements.[19] In a conversation in May 1986, the only qualification he added was that new leaders should be given ample time to master their situations before a first meeting.

Former President Ford called his meetings with Brezhnev "constructive and helpful."[20]

In a speech to the World Affairs Council in Los Angeles on March 6, 1986, former President Nixon said:

> The greatest danger of war today is not that either of the superpowers would start a war that would risk suicide but that war would come from miscalculation. That is why reestablishing the practice of regular summits is so important. If two leaders know each other, they may not like each other but their knowing each other reduces the chance that either will misjudge the other and underestimate the other's will to resist where his vital interests are threatened.[21]

The arguments for retaining flexibility of timing for summits are well known. They include: allowance for a familiarization period for new leaders; the desire to have agreements ready for signatures at the meeting; the need for delay to register disapproval of recent actions or threats affecting East-West relations; and the desire to wait for a more tactically advantageous time. But such factors work in both directions. When one side is eager for a meeting, the other may be reluctant or think it can gain by setting certain similar preconditions—which has been the reason for some of the longer gaps between meetings in the past and the subject of almost unending public speculation and time-consuming bilateral negotiations.

The leaders of the United States and the Soviet Union have met 13 times from 1955 through 1986—or an average of more than once every two-and-a-half years, although there were two gaps of six years' duration—1961 to 1967 and 1979 to 1985. The tangible accomplishments of some of the summits have been decidedly thin.[22] But every recent president has indicated that meeting his counterpart helped him gain a more realistic understanding of Soviet interests and concerns. That achievement alone would normally justify a summit meeting fairly early in each new president's term of office after he has determined his administration's policy goals.

The general case for holding more regular summit meetings than in the past, though not on a rigid schedule, seems persuasive. This would enable the leaders to exchange views on the long and ever-changing agenda of current bilateral and other issues confronting them, to energize their governments to explore areas of potential agreement or to provide guidelines to their representatives in other cases, and to sign agreements when there are sound reasons for doing so. More regular meetings would help avoid some of the tensions, speculation, and undue expectations that are apt to build when much time elapses between summits.

The Element of Surprise

Efforts to surprise the other country leader with major proposals not previously communicated are rarely if ever successful at summit meetings. The Reykjavik talks provide the most recent illustration, although there are examples from earlier periods. Whatever the motive, be it an effort to bypass some of the other side's officials or to persuade its leader directly, the tactic is almost bound to backfire. The security and political stakes are too high to expect immediate agreement without extended critical analysis. Surprise offers are likely to be dismissed, rightly or wrongly, as propaganda proferred to gain a public relations advantage over the other country if it rejects or defers responding to the proposal. Often the leader who is caught by surprise would be placed at political risk if he were to agree to the new offers without added consultations at home, even if they were acceptable propositions. No matter how intended, surprise is a tactic likely to be resented and to cause ill will between the governments.

Soviet and American leaders who decide to propose serious and far reaching initiatives at summit discussions would be well advised to communicate their intent to the other leader in advance through regular or special channels and not to try to surprise the other leader with major new proposals.

Records

No one person in or out of government today can say with certainty whether there are detailed records for each of the post-war summit meetings, including the private discussions of the leaders, or where such records, if they exist, are located.

Since none of the leaders involved have spoken the language of the other, interpreters have been required in all instances. American interpreters are needed not only to interpret Soviet leaders' remarks for the presidents but also to see that presidential remarks are interpreted correctly by Soviet interpreters. When consecutive rather than simultaneous interpreting has been used, and the former is the norm at such meetings, at least the interpreter's notes have been available from which a full, though not a verbatim, record can be constructed later. Obviously when a notetaker as well as an interpreter have been present, as at the Geneva and Reykjavik meetings, the record should be even more complete. And, of course, when a formal agreement has been negotiated in advance or at the time, and is signed by the leaders, there is a full agreed record of its terms in both languages.

But past practice has been deficient in many respects. President Nixon's "usual practice," according to Henry Kissinger, was not to bring a State Department interpreter to his tete-a-tete summit discussions with Brezhnev, who was always accompanied by his interpreter, Viktor Sukhodrev. As was Mr. Nixon's custom, Kissinger added, "he also did not dictate an official record, although he briefed me orally. I was reduced to asking . . . Sukhodrev to dictate his account."[23] On another occasion, as the former Secretary of State has reported, "The President did not tell me what had transpired" and the Soviet interpreter never made good on his promise to let Mr. Kissinger have a copy of his notes.[24] It need hardly be added that such practices constitute a disservice to the orderly conduct of U.S. foreign policy. Fortunately American interpreters, and sometimes notetakers as well, have accompanied Presidents Ford, Carter and Reagan to all of their meetings with Soviet leaders.

Other problems flow from the political leaders' sensitivities about the records that are made of their summit talks. A verbatim taped record of discussions has never been sought by the leader of either side, although secret taping by one side has been reported at at least one summit,[25] and the visiting side widely assumes, even without direct evidence, that the host government may be taping discussions which take place on its home terrain.

Probably each leader has considered it in his national and personal interest to preserve the ability to "clarify the record" after the exchange has taken place. Thus it is not surprising that no effort is known to have been made at summit meetings to reach an agreed record of discussions, other than the summary points that may be set forth in communiques, or to have the American and Soviet interpreters exchange their notes (beyond occasional comparison of notes for specific points) or to exchange fuller records later which would permit discovery of any significant differences of recorded interpretations. Indeed, on some occasions, U.S. interpreters have been instructed to dictate a single copy of their notes for the president's use and then burn the notes. Distribution of the records has often been restricted to less than a handful of advisers. Access to the record, for reasons discussed in Section 2 (d), is often difficult or impossible to obtain by those helping successor presidents prepare for later summits.

The acrimonious controversy that developed between Washington and Moscow about what had been said by the leaders during the recent Reykjavik discussions provided a vivid recent example of the importance of summit records. Both sides were following the best practices of the past by having notetakers as well as interpreters present for the talks, but since no final agreement was reached, no effort was made at the time to issue a communique setting forth what had happened and the differences that remained, which might have averted the later controversy.

Although political leaders will in all likelihood continue to oppose the making of verbatim records of summit meetings, it would be worthwhile at future meetings for both sides to agree to issue statements that set forth the principal points of concurrence and disagreement that emerged in the discussions even when no final agreement has been reached.

Recommendations: Summit Meetings

(1) The leaders of the United States and the Soviet Union should meet regularly, perhaps two or three times in each presidential term, although some flexibility of timing should be retained and meetings held only after careful preparation. The first meeting should take place soon after a new president has determined his administration's policies, unless there are overriding reasons for delay.

(2) American and Soviet leaders who decide to propose during summit discussions major initiatives intended for serious consideration by the other side should communicate their intent to the other leader in advance in order to avoid the suspicion and resentment likely to be engendered if the proposals are first presented by surprise at summit meetings.

(3) Presidents should be accompanied at all summit meeting discussions, by American interpreters, and notetakers as well, when feasible, to interpret presidential remarks, to see that the presidents' remarks are interpreted without mistake by Soviet interpreters, and to make full records of the discussions. Summit records should be available under appropriate controls and safeguards to the limited number of officials who need to know in order to carry out U.S. policy effectively as well as to those preparing for later summit meetings. Efforts should be made to reach agreement with the Soviets on a statement setting forth the main points of concurrence and disagreement that emerged in such discussions even when no final substantive understandings have been reached.

(e) Trusted Advisers Crisis Channels

Serious crises involving the United States and the Soviet Union usually produce an avalanche of reporting, often fragmentary, contradictory and of uncertain reliability. Under these circumstances, in which judgment may become befogged by stress and fatigue, it is difficult for both governments to comprehend what is happening and to identify important communications and signals from the other side.

As former Secretary of State Kissinger has stated:

> During fast-moving events those at the center of decisions are overwhelmed by floods of reports compounded of conjecture, knowledge, hope and worry. These must then be sieved through their own preconceptions. Only rarely does a coherent picture emerge.[26]

In such situations and others, presidents have often asked close and trusted advisers to serve as special channels of communication with friendly and adversarial government leaders in preference to undertaking direct contacts themselves or to contacts through regular channels. There have been many notably successful trusted advisers in this role in the recent and not-so-recent past. Harry Hopkins often served this function in World War II. As Winston Churchill later wrote: "He was the most faithful and perfect channel of communication between the President and me."[27] The late W. Averell Harriman served a similar role for several chief executives from Roosevelt to Carter. His stature, experience and unquestionable credentials gave him special standing as a presidential representative in talks with Soviet leaders and other government heads.

Presidents and general secretaries would often find it mutually advantageous to be able to conduct confidential exchanges of views and explorations during crises through previously designated and authorized trusted advisers, whose special credentials had been made known in advance to the other national leader and who might or might not have a role in normal channels of communications.

The potential advantages would be several. The use of trusted-adviser crises channels would be more appropriate than direct contacts between the national leaders when there is need to understand new developments more fully before taking final governmental positions. When subordinates are involved in preliminary explorations, leaders obviously retain greater flexibility to make more informed assessments and decisions. And the risks that the other side would misread the adviser are less serious because there are higher authorities to appeal to. Such channels may also be useful when one side is in doubt about which official to contact in the other government to explore a possible avenue for resolving a dispute or to receive an authoritative reading of the other government's intentions.

A president who wished to establish such channels would probably designate four or five persons, including the secretary of state, the American ambassador to the U.S.S.R. and other official(s). He might also designate, perhaps, on a regular or ad hoc basis, a close outside adviser, as President Reagan did on more than one occasion with Senator Paul Laxalt of Nevada, for crucial contacts with other government leaders.

Early in his term the president should inform the Soviet leader of his choices of advisers for possible use as special channels of communication in the event of future crises, undertake to advise the Soviet leader of any desired changes of preferred advisers, and invite his counterpart to do the same. The leaders should also agree to have at least one such channel available at all times during crises.

It is commonly assumed that an open society like the United States has more difficulty understanding a closed society like the Soviet Union than the reverse. But that assumption is debatable.

Soviet officials encounter many difficulties in reading U.S. intentions correctly through the welter of conflicting signals routinely emanating from the White House, the State Department, the Pentagon, the Congress, and media sources. There may have been, for example, basic unstated shifts of policy and procedures from one administration to the next. In many instances there may be no agreed U.S. policies where the Soviets would tend to assume otherwise because of their traditions of central planning. The rhetoric used in public speeches by administration officials designed primarily for domestic partisan, ethnic, or other special audiences invites exaggerated or unintended readings in Moscow. The division of powers between the legislative and executive branches in our federal system sometimes means that representatives of neither branch can state U.S. intentions with confidence and accuracy. Media stories—some accurate, some not—about the divided views of top presidential advisers, and leaks, both authorized and unauthorized, can create serious confusion.

During his long tenure in Washington, former Soviet Ambassador Dobrynin complained to Americans on more than one occasion about his problem in interpreting and explaining U.S. intentions correctly to his superiors because of conflicting statements made by presidents, sometimes in the same speech, or in speeches by their principal aides. At other times he lamented the lack of contacts with whom he could exchange knowledgeable, authoritative views on a timely basis. Dobrynin also commented to a Panel member about his confusion due to inaccurate statements made to him in the past by former high officials. A former national security adviser told the Panel that he had had to spend considerable time trying to convince Dobrynin that he should believe certain officials.

There have been several instances when State Department, N.S.C. staff, and other highly-placed officials who lacked comprehensive knowledge of overall U.S. policy towards the U.S.S.R. were in contact with Soviet representatives with some regularity and were engaging in broad-ranging policy discussions beyond their own areas of competence.

American ambassadors who have served in Moscow recall past visits by certain members of Congress and others who expressed personal policy views at variance with administration policy but implied in talks with Soviet leaders that they spoke with more authority or had closer contact with the president or secretary of state than warranted by the facts. The availability of trusted, adviser channels would help protect the President against such practices during crises, when unauthorized and conflicting signals could complicate matters dangerously.

Compounding Soviet difficulties in comprehending U.S. positions are their tendencies to see the outside world suspiciously through dogmatic glasses, and their limited understanding, in spite of the growing sophistication of their "Americanist" expert advisers, of how the American government operates and the complex and varying political constraints on executive branch actions.

Sometimes the Soviet choice of channels for important communications has been bizarre. Looking back to the Cuban missile crisis, none of the surviving American principals have been able to suggest a plausible explanation for why the first key Soviet message, suggesting Moscow's willingness under stated conditions to remove their offensive missiles, was conveyed through KGB Washington chief Alexandr Fomin to ABC reporter John Scali. It was sheer good fortune that that communication was taken seriously by Washington and not ignored.

The use of direct trusted-adviser channels should be limited to times of crisis, but prior understanding about the procedures that may be used in crises should be reached in non-crisis circumstances to avoid confusion when an emergency occurs. Clearly every president will determine when he wants to use such irregular channels. But he should be made aware that use of special back channels in normal times tends to derogate from the fullest appropriate use of regular channels of communication and can cause unintended and unfortunate complications for officials who are pursuing authorized goals which may be at variance with new understandings reached through trusted advisers.

Recommendation:
Trusted Adviser Crisis Channels

Every president should be asked to: (1) determine the trusted advisers that he would wish to use as special channels of communication in times of crisis for the exchange of important views and messages on his behalf in preference to direct highest level communications; (2) inform the Soviet general secretary of the advisers he has designated for this purpose and of any subsequent changes; and (3) invite the general secretary to take similar actions and to agree that at least one such channel for confidential exchanges should be available throughout any crisis period.

(f) Sharing Assessments with the Soviets

> The (Cuban missile) crisis could and should have been avoided. If we had done an earlier, stronger and clearer job of explaining our position on Soviet nuclear weapons in the Western Hemisphere, or if the Soviet government had more carefully assessed the evidence that did exist on this point, it is likely that the missiles would never have been sent to Cuba. *The importance of accurate mutual assessment of interests between the superpowers is evident and continuous*—Statement by former Kennedy administration officials: Rusk, McNamara, Ball, Gilpatric, Sorensen, Bundy, *Time*, Sept. 27, 1982

This section of the report discusses the arguments for and against "mutual assessment of interests between the superpowers" and the process of worst case planning which now tends to dominate unilateral assessments. It includes the Panel's recommendations for sharing certain preliminary assessments and concerns with the Soviets *before* determining final U.S. positions under prescribed circumstances and safeguards, for making unilateral planning assessments more realistic, and for joint analyses of past crises by some of the primary participants in those events on both sides.

Four Past Cases

Unwarranted or exaggerated concerns by the U.S. or the Soviet Union based on incorrect, unilateral assumptions about the other's interests or intentions in areas of vital national importance to one or both can have unfortunate and undesired consequences. When inherent conflicts of national interests are exacerbated inadvertently, relatively minor actions can lead to unexpectedly hostile counteractions and risks of escalation.

This is not an abstract issue. Four occasions have been documented when one of the superpowers was at a high state of tension based on its own assessments of the other that were largely or completely erronecus, and the other was totally unaware or incredulous. In two instances the mistaken assessments were theirs; in the other two, ours.

Berlin, 1961. When Nikita Khrushchev spoke to the Soviet Communist Party Congress in mid-October of 1961, he dropped his year-end deadline threat of signing a separate U.S.S.R. peace treaty with East Germany. Since it was this threat that had precipitated the Berlin crisis initially, which had been heightened by the start of construction of the Wall two months earlier, Western governments widely assumed that the crisis was over. Shortly after the Party Congress speech, however, senior Soviet officials later revealed, the Soviet government received intelligence from German sources it considered reliable that U.S. forces had been directed to break down the barrier dividing the city in an attempt to incite an East German uprising.

The attack would come in Nikita Khrushchev's words, with "bulldozers . . . followed by tanks and wave after wave of jeeps with infantrymen." Khruschev issued orders to bring Russian tanks into Berlin with minimal notice and to have them ready to open fire on the American forces if the U.S. took the anticipated actions. In fact, of course, the Western powers had accepted the Wall as a *fait accompli*, although President Kennedy had sent troop and tank reinforcements to Berlin and named General Lucius Clay as his special representative there as part of a show of the flag and to help allay German concerns. While the details of the Soviet intelligence report are unknown, several factors may have become known to the Soviets and caused their alarm. Clay favored knocking down the wall and had not taken pains to hide his views in unofficial or official contacts, although he never received administration encouragement or approval. Unbeknownst to Washington, Clay planned for the Army to set up walls in a West Berlin forest and practice knocking them down.

On October 27 after U.S. tanks had been sent to Checkpoint Charlie to underscore concerns about new East German procedures requiring American civilian officials to show their papers to East German guards on entering the eastern sector, the U.S. forces were surprised to be confronted by Soviet tanks, whose presence in the city had just been discovered. U.S. tanks, some equipped with dozer blades, were brought into positions less than a hundred yards from the Russians, who brought up more tanks. Although a pullback occurred without incident after a 16-hour confrontation, a minor accident might have escalated quickly. The U.S. tank commander, Lt. Col. Tom Tyree said at a later date, "My major concern . . . was to make sure something unexpected did not happen such as a nervous soldier accidentally discharging his weapon . . . (or) some tanker stepping accidentially on the accelerator leading to a runaway tank." Some senior Soviet officials consider the tank confrontation as the most dangerous moment in the postwar period, because, unlike more distant events, it involved an area of paramount security interest to them.[28]

Cuba, 1962. During the 1962 Cuban missile crisis, Khruschev said later that he was concerned about the "devastating" U.S. Jupiter missiles "in Turkey literally right next to us," when he proposed removal by the U.S. of its offensive missiles in return for withdrawal of Soviet offensive missiles in Cuba. President Kennedy and his advisers viewed this as an unacceptable effort by Khruschev to alter the status quo on NATO's eastern flank by the surreptitious Soviet move in Cuba. The President remarked to his small "Ex Com" group of advisers at the time that ". . . if we suddenly began to put a major number of MRBMs in Turkey . . . that'd be goddam dangerous." When reminded that the United States had already done so, he said, "Yes, but that was five years ago." Kennedy had indicated in 1961 that he wanted the liquid-fueled, "antiquated and useless" Jupiters withdrawn, but action had been delayed because of Turkish sensitivties. The two most critial days of the crisis before the Soviets undertook to withdraw their missiles from Cuba were spent trying to work out non-public arrangments relating to our subsequent withdrawal of the U.S. missiles from Turkey. Soviet concerns about the Jupiters may have been real. Neither Kennedy nor any member of his advisers knew or recalled at the time that the agreement with Turkey to deploy the missiles had not been reached until October 1959, that deployment had not even begun until 1961, and that control over the first Jupiter site was not turned over to the Turks, ironically, until the same day as the President's Cuba quarantine speech.[29]

Cuba, 1979. In the second half of 1978, after a period of diminished U.S. monitoring of Cuba, reports began to be received of unusual Soviet troop actions on the island. Although nothing new of significance was observed, more reports continued to arrive and in the spring of 1979 stepped-up coverage and review of the situation were ordered by the White House. The increased yield of photographs and reports after a slack period led some analysts and some other officials to conclude that there was a new Soviet "combat" brigade in Cuba conducting field exercises not connected with the established Soviet role in training Cuban troops. Reports to this effect reached the Congress and the public during the summer. When the Soviets were asked if they had brought in new troops, they charged that we had deliberately manufactured the whole affair, and their somewhat belated general disclaimers of any change in force levels or status were not deemed credible at the time. Further U.S. analysis of all available data led to the conclusion that the Soviet troop unit had been in place since 1962 and identified as a brigade a few years later, and that the only apparent new element not monitored before was field training without visible Cuban training involvement, a fact compatible with a wide variety of interpretations. Public statements about the "unacceptability" of the situation made by executive and legislative branch officials before a realistic perspective could be gained proved seriously damaging to SALT II Senate ratification chances.[30]

War Alert, 1981-83. From Oleg Gordievsky, KGB chief in England, who defected in the spring of 1985, British and American officials learned that the KGB in England, and presumably KGB stations in the United States and other countries as well, received instructions from Moscow in early 1981 indicating that the United States was going to attack the Soviet Union at an unspecified date and placing the KGB under standing orders to observe any unusual government activities, VIP travel, etc. Those orders remained in effect until well into 1983, and the KGB dutifully reported such matters as a Greater London Council blood donation drive as a possible preparatory move. Gordievsky, who is viewed as a credible source by debriefers, had indicated that KGB field agents believed that the directive was unduly alarmist, but he noted that such a major diversion of manpower and resources must have had solid high-level backing in Moscow. The United States was unaware of these misplaced Soviet concerns at the time, which could have been aggravated dangerously by inadvertent actions on our part as well as by the harsh rhetoric of the period.[31]

Each of these cases poses difficult, unresolved questions. Was there a process that could have enabled the Kennedy administration to be aware of Soviet fears about our intentions in Berlin? Why didn't Khruschev indicate Soviet security concerns about the new deployments of Jupiter missiles in Turkey in his first message to Kennedy? If the Soviets had been more specific in their denial that there were any new forces in Cuba in 1979, would we have believed them? What occasioned the false 1981-to-1983 KGB intelligence alert? Was it the same concern former Politburo member Gregory Romanov was referring to in a Kremlin speech on Nov. 5, 1983, in describing the international situation as "thoroughly white hot?" Or was it that same concern that Gorbachev was referring to in his address to the 27th Communist Party Congress, when he stated that "never, perhaps, in the postwar decades has the situation in the world been as explosive—and hence, more difficult and unfavorable—as in the first half of the '80s."[32]

More generally, what would have happened in the cases cited if the government which made the mistaken assessment and entertained the unfounded concerns had been willing to indicate its concerns to the other at the time?

All that seems certain is that unwarranted concerns existed on one side which were unknown or seemed incredible to the other, and that no timely or adequate communications efforts were made to dispel the tensions before events were allowed to run their course.

Argument For and Against Mutual Assessments

There are many reasons why nations are reluctant to share their concerns and the assumptions on which they are based with adversary nations. Fear of revealing intelligence sources and methods or diplomatic or military plans, fear of revealing ignorance, fear of being deceived, and fear of alerting an adversary and thereby precipitating hostile moves—are probably uppermost.

In addition, long-standing diplomatic tradition counsels against advising an adversary of our thinking until final decisions have been reached in order to avoid false or premature inferences of intent. Others are convinced that the only interest we share in common on which mutual assessments might be warranted is avoidance of nuclear war when that becomes a clear threat. Still others point out that in cases where the United States has no agreed mid- or long-term policies, the possible gains from fuller sharing of intentions would be slim.

Obviously these are serious concerns which reflect considerations that need to be taken into account in all cases. But it is important to note that there may be offsetting advantages for each of these negative factors.

Protection of intelligence must be weighed against the advantages of its use as dangers mount, as illustrated by authorized release of sensitive photographs and intercepts in the Cuban missile crisis and in the more recent Korean Airlines (KAL) flight 007 shootdown and Libyan bombing incidents.

Maintaining silence despite suspicions in the hope of gaining more definite information needs to be balanced against the risks that an adversary will move with greater speed and impunity in the interim. The danger that an adversary will take precipitous hostile action if made aware of the concerns it has raised may be offset by the former's knowledge that the major advantage of surprise is gone.

Concerns that confusing signals may be conveyed by sharing assessments still subject to change has to be gauged against false inferences that may be drawn from silence. Related concerns that mutual assessments might compromise the need to respond strongly and clearly to perceived crisis threats to security are relevant only to the extent that the evidence on which such perceptions is also strong and clear.

The United States and the Soviet Union have common interests, which may make mutual assessments advantageous, and which extend well beyond their obvious joint concern of avoiding imminent nuclear war. Most experts agree that such a war would be far less apt to start with a direct catastrophic nuclear exchange than from third-country conventional conflicts in sensitive areas like the Middle East, in which the United States and the Soviet Union have become increasingly involved with opposing powers. Since neither side can have much confidence that a conventional war between them would stay conventional, there would be a strong common interest in avoiding any such direct conflicts. While there may be a different tolerance for taking risks by Washington and Moscow in such situations, both sides are likely to reach a stage where their common interest in avoiding direct conflict between them becomes paramount.

As former President Nixon stated recently: "We will meet them (the Soviets) half way to defuse Third World conflicts in areas where our interests collide in such a way that they could draw us into war."[33]

Nuclear proliferation is another area of substantial common interest, as well as certain instances of nuclear terrorism in which early sharing of assessments could be mutually advantageous.

There is a greater probability that the U.S. government rather than the doctrinaire, centrally controlled Soviet government may lack agreed and clearly articulated policies in some crisis situations. While this may limit the utility of sharing intentions, there can be value even in such cases in acquainting the Soviets at an early state with our views of their behavior and what we would have to do under specified circumstances.

But there are many circumstances in which the potential gains from sharing assessments would be too slight to warrant the risks: for example, when our interests are unmistakably and irrevocably at odds; when one side's vital interests are at risk and the other's interests are peripheral; or in various Third World country situations where both may be competing for influence but where there is little or no likelihood of significant superpower involvement or conflict.

The potential advantages of sharing preliminary assessments with the Soviets on appropriate occasions with essential safeguards can be significant. Seweryn Bialer has suggested that one of the basic "rules of prudence in Soviet-American relations" should be to "engage in nonpublic consultations, even in times of highly strained relations, about the superpowers' intentions with regard to areas or issues of high confrontational potential."[34] The strong statement by President Kennedy's advisers during the Cuban missile crisis in support of "mutual assessments" by both powers was cited in the headnote of this section.

Fuller sharing of preliminary assessments in carefully chosen situations can help provide a more accurate final evaluation than automatic application of worst case assumptions would be likely to provide. A certain amount of sharing of this nature occurs during normal diplomatic probes of adversarial intent, but it is seldom done in a carefully coordinated, authoritative manner.

In an era when time for political deliberation in crises continues to be reduced by the advancing technology of modern weaponry, fuller sharing of preliminary assessments can gain the time needed to achieve better understanding of developments and to reach sounder decisions.

If we advised the Soviets through the best available confidential channels that we were inclined to interpret their words or deeds as hostile for stated reasons, that we might have to take certain steps if this were so or if they took further specified actions, and invited their comments, two main kinds of response could be anticipated.

At worst, we might be met by silence, ambiguities, or deception. But even if that were so, Soviet knowledge that we had such concerns might have an inhibiting or moderating effect on their behavior, and they would know that further hostile moves would be carefully monitored. Deception and disinformation might be attempted, but it might already be being used in the situation at hand, and we have had ample experience in learning to recognize it for what it really is.

At best, if the views we shared were based on more dire assumptions than warranted, the Soviets would have a strong self-interest in proving to us in a verifiable form that their intentions were—or had become—less hostile.

Worst Case Assumptions and Planning

Decades of poor relations and distrust and simple prudence in safeguarding national security have made "worst case planning" the norm. Whenever there is evidence, no matter how weak, ambiguous or unevaluated, of potential, threatened or actual hostile actions, worst case assumptions tend to dominate. The Soviet military forces constantly engage in planning based on worst case analysis, as General Andrew Goodpaster has pointed out in panel discussions. And so do Western military planners. In a recent conversation David C. Jones, former Chairman of the Joint Chiefs of Staff told Sergei Akromeyev, chief of the Soviet General Staff, who had been accusing the United States of trying to gain military superiority: "I think we are paranoid about you. I know you are paranoid about us!"[35]

To cite one recent example, the Soviet shootdown of KAL Flight 007 on Sept. 1, 1983, and the charge in the immediate U.S. public denunciation of the Soviet action that it was deliberately taken against a commercial airliner and its passengers may have rested on two assumptions: the Soviet assumption that the intruder plane was a U.S. reconnaissance flight and the U.S. assumption that the Soviet pilot who shot down the plane had actually identified it as a passenger jet. In retrospect it now seems fair to conclude that the fatal action and specific public indictment were both based to a significant degree on erroneous worst case assumptions.[36] Other instances of proper as well as improper uses of worst case assumptions and their impacts are discussed in a recent essay by Raymond Garthoff.[37]

Sometimes worst case military planning carries over into political decision making where it may be less germane and potentially harmful. As Helmut Schmidt has stated:

> Among the government and publics of the West today, worst case scenarios reign supreme; we spend inordinate time and thought on the worst that can happen, which not only diverts our attention from possibility of positive action but often turns our minds to extreme and unrealistic approaches.[38]

George Kennan made a like point in a letter submitted to the Senate Select Intelligence Committee: "'Worst case' assumptions . . . when taken out of the military field and applied to other forms of intelligence-gathering and analysis . . . lead to a lack of realism."[39]

Such assumptions often rest in turn on firmly held but debatable underlying beliefs, e.g. that Soviet expansionist behavior can only be modified by bringing about fundamental changes in the Soviet Union, or that Soviet internal problems are so bad that external pressure can precipitate collapse.[40]

Worst case assumptions are not always warranted or justified, as the four incidents cited earlier in this section clearly indicate.

It should also be noted that worse case planning is usually applied only to the immediate actions and responses under consideration. They are seldom used to anticipate the probable chain of worst case responses by the other side and likely choice of worst case alternative counter-responses that might be expected to follow.

To make the planning process more realistic, a procedure similar to environmental impact statements should be instituted. Diplomatic, military and other officials who submit action plans based on worst case assumptions should also be asked to project what worst case interpretation of our proposed actions by the Soviets might lead them to do, and how we in turn would interpret and react to such a response.

President Kennedy said when urged to order air strikes against the surface-to-air missile sites in Cuba following the shootdown of a U-2 overnight flight during the missile crisis: "It isn't the first step that concerns me, but both sides escalating to the fourth and fifth steps—and we don't go to the sixth because there is no one around to do so."[41].

Joint Past Crisis Analysis

Joint U.S.-U.S.S.R. past crisis analysis would provide a useful test of the validity of sharing preliminary mutual assessments. Each of the four incidents cited above and others suggest that mistaken assessments have been made by each side about the other's motives and intentions on important occasions.

Almost all of the primary American participants in past crises contacted during project interviews have indicated interest and willingness to engage in joint analyses if Soviet principals in the same crises also participated. The purpose of the effort would not be to chronicle past crises, let alone to argue about which side came out ahead or behind. It would be to explain to the Soviets how U.S. leaders had interpreted Soviet interests, objectives, and intentions in taking the actions or making the statements which lead to the American responses that were taken, to invite Soviet comments about the accuracy of our assumptions, and to encourage them to make similar expositions and inquiries.

While there is no precedent to date for such joint analyses and the Soviets have always been reticent in the past to discuss their internal government processes, initial explorations with their authorities in Washington and Moscow indicate interest in exploring the pros and cons and modalities of holding such discussions. It is interesting to note that Soviet books and a play have appeared recently providing Russian perspectives on the 1962 Cuban missile crisis, or "Caribbean crisis," as they call it. There is little doubt that talks of this nature could be an important learning experience for both sides, since no one on either side can be certain about the validity of the key assumptions made about the other side's behavior in times of tension. Even if the American participants were more forthcoming than their interlocutors, the latter could learn how susceptible to misreading their actions might have been.

Certainly joint analyses would provide an interesting test of the new Soviet policy of "openness" as articulated by General Secretary Gorbachev. In his 1986 Party Congress speech, Gorbachev said: "it is necessary for all to feel they are equally secure, because the terrors of the nuclear age give rise to unpredictability and specific actions."[42] Obviously no government can be certain of its assessment of the actual security interests of another without direct communications between them.

Both governments have already undertaken to engage in consultations which could involve mutual assessments under the 1973 U.S.-U.S.S.R. Agreement on the Prevention of Nuclear War. Article IV reads: "If at any time relations between the Parties or between either Party and other countries appear to involve the risk of a nuclear conflict, or if relations between countries not party to this Agreement appear to involve the risk of nuclear war between the United States of America and the Union of Soviet Socialist Republics or between either Party and other countries, the United States and the Soviet Union . . . shall immediately enter into urgent consultations with each other and make every effort to avert this risk."[43] But the terms of the Agreement were too general in nature to have had practical operational effect.

To lend reality to such obligations in time of crisis requires the institution of specific practices by both countries to build confidence and experience in consultations and mutual assessments and to improve their own assessment processes which are the objectives of the panel's suggestions in this area.

Recommendations:
Sharing Preliminary Assessments and Concerns

(1) Trusted presidential representatives should be authorized to share U.S. assessments and concerns with the Soviets *before* final U.S. positions are determined in carefully selected situations involving potential risk of conflict and areas of probable common interest when evidence of Soviet intentions is unknown or unclear.

(2) Officials who propose actions based on worst case assumptions should be required to submit their best estimates of what worse case assumptions by the other side might lead it to do in response to those actions and how the proponent would suggest interpreting and reacting to such responses.

(3) Government or privately sponsored joint U.S.-U.S.S.R past crisis analyses by primary participants in such events to determine the validity of each side's unilateral assessments of the other's intentions at the time would be instructive for both and could lead to greater willingness to share timely preliminary assessments in the future

(g) Compartmentalization

The time available for and clarity of presidential deliberations about important decisions relating to U.S.-U.S.S.R. relations can be seriously eroded by the practice known in government as "compartmentalization."

In its narrowest sense, compartmentalization means restricting knowledge of sensitive matters to those with "need to know." More broadly, however, the whole clearance process for receiving different levels of classified information results in additional compartmentalization. And most broadly, presidents sometimes direct or permit others to direct that certain information be withheld from entire departments and agencies to lessen the chances of leaks or for other reasons as evidenced most recently in the Iran arms-hostages-contras diversion affair.

While there are often sound reasons for compartmentalization it can become a major problem for a president when meeting with key aides and advisers on crucial foreign affairs issues, particularly in time of crises. In such situations, time-consuming and needless discussions and arguments may take place because of the participants' different and incomplete bases of information and analysis, which waste time for the president and cause unfortunate confusion for him if the source of the differences does not become clear.

As former Cabinet-level and high-ranking military officials have reported, considerable time has been wasted by presidential advisers on such occasions over factual and analytical disputes which stem from different and compartmentalized information bases.[44]

In his memoirs, Secretary of State Kissinger wrote that in fast-moving events "an enormous amount of time must be spent in making certain that each of the key figures at home and abroad acts on the basis of the same information and purpose. Whatever bureaucratic games might be played in normal times, during crises I made certain that each agency had the same information."[45]

Recommendation: Compartmentalization

Presidents should direct, particularly during crises, that the aides and advisers with whom they wish to meet to obtain advice before making decisions relating to U.S.-Soviet affairs should do so from a common base of information made available in advance to all participants.

(h) Coordination of Public Positions

"A superpower must speak its intentions in one clear voice," Alexander Haig stated, "lest it baffle its allies, mislead its adversaries, and, ultimately, lose its own way in a maze of conflicting policies."[46]

The memoirs and public declarations of presidents and secretaries of state are replete with statements emphasizing the importance of the government's "speaking with one voice" in matters of foreign policy.

Presidents have followed different practices in delegating to their subordinates authority to articulate their administrations' international policies. Most have begun their terms of office with endorsements of Cabinet government in general and statements that their secretaries of state are to be their primary spokesmen in the field of foreign affairs. Some have shown tolerance for other competing arrangements with passage of time, however, and sometimes allowed other Cabinet-level and even sub-Cabinet officials in their administrations to share foreign policy spokesperson roles. This has often resulted in uncoordinated and conflicting statements. All too frequently, presidents have allowed such statements to stand without efforts to resolve them or to prevent similar recurrences.

The damage done by conflicting public statements about U.S. foreign policy by administration advisers in vital areas of interest such as U.S.-Soviet relations can be substantial.

The Soviets have enough difficulty reading U.S. intentions correctly without having to determine which official speaks for the administration or indeed if anyone speaks for the President when public policy disputes are unresolved.

Sometimes conflicting impressions of U.S. policy are evident between presidential speeches when one is designed for general audiences and another for partisan, ethnic or other special audiences, and between a speech and informal statements at news conferences and elsewhere. Former Soviet Ambassador Dobrynin complained on more than one occasion about the virtual impossibility of explaining to Soviet leaders how a speech could represent an effort mainly intended for the audience at hand, or even more confusing, intended to reflect certain aspects of conflicting viewpoints held by different advisers.

Contradictory statements of position invite "Trollope ploys" by the Soviets. In such circumstances, they can choose to treat as authoritative the statement most advantageous for their purposes, regardless of whether it reflects the president's actual position.

Such statements also provide the Soviets with an obvious excuse for delay until the U.S. "gets its house in order," when such a tactic is in their interest.

The Soviet Union is not free of problems of this nature, although to a much lesser extent because of the controls exercised over statements by subordinate officials. Some Politburo statements themselves doubtless represent compromises, although any divisions of opinion are rarely revealed publicly. On occasion aides do issue statements that need to be "corrected" by superiors—and usually are quite promptly. One such instance was evident in the days after the Reykjavik meeting when Soviet arms negotiators Viktor Karpov and Colonel General Nikolai Chernov both indicated that an agreement on intermediate range nuclear forces might still be negotiated separately, and General Secretary Gorbachev issued a statement to the contrary.

Lodging primary responsibilities for public statements about the administration's foreign policies with the secretary of state has obvious advantages. The secretary of state is the one who has to explain to foreign governments and to the Congress the statements that have been published or broadcast by representatives of the administration. Presidents can, of course, permit other officials to share that role in varying degrees, as President Nixon did with his national security adviser from 1969 to 1973. But the confusion about official views resulting from such practices usually invites critical media commentary and confounds allies as well as adversories.

Secretaries of state have resigned or threatened to resign because of conflicting statements by White House assistants or Cabinet colleagues in the past. Secretary of State James Byrnes threatened to do so when Secretary of Commerce Henry Wallace criticized the Truman administration's policy as too hard on the Soviet Union, when Byrnes was representing the United States at the 1946 Paris Peace Conference, and Truman forced Wallace's resignation in short order.

Usually such conflicts are incremental and less egregious, and most recent presidents have avoided resolving such matters by not confronting them directly. It is difficult for a secretary of state to press his case with a president without seeming parochial and self-serving.

In the view of the Panel, the damage that can be inflicted by tolerating such public disarray can have serious adverse consequences for U.S. foreign policy and domestic support for it. Vice presidents, White House chiefs of staff, national security advisers, and other aides as well as secretaries of state should assume a continuing obligation in such situations to point out to the president the foreign and domestic costs of allowing uncoordinated and conflicting public statements of administration international positions to persist without resolution.

Recommendation:
Coordination of Public Statements

Every president should be made aware by his advisers and aides of the serious potential confusion created when he issues, or permits officials to make, conflicting statements of his administration's foreign policy positions and does not insist on coordination of subordinates' official policy statements by the secretary of state.

CHAPTER 2

Knowledge and Information

Knowledge of Soviet affairs on the part of presidents and Cabinet-level foreign affairs advisers varies considerably from administration to administration and during the lifespan of each administration. The degree of knowledge depends, of course, on individual experiences, interests, competing demands, as well as individual learning, absorption and memory capacities for relevant information.

This chapter of the report discusses: (a) the need for expanded sources of information about developments in the Soviet Union; (b) selection, summarization and presentation of information; (c) the "layering" problem of information known at some levels of government but not known to those making decisions; and (d) current laws and practices relating to the government's institutional memory in the field of foreign affairs. Panel recommendations are included under each of these headings.

(a) Expansion of Sources

The traditional Russian penchant for secrecy is evidenced by comprehensive Soviet information, travel and other controls. Sensitive information is closely held and tightly restricted. Arkady Shevchenko, a former high-ranking Soviet diplomat, now a U.S. citizen, has described the required procedures for handling diplomatic cables at the Soviet United Nations Mission in New York:

> Stringent controls applied alike to incoming and outgoing cables. Both had to be written out by hand into special ledgers with numbered pages. It was against the rules to prepare a draft message outside those (communication center) premises or to take a copy of one out of the room. All the Mission records having anything to do with coded communications, therefore, were kept behind the double doors on the seventh floor, hard to reach, difficult to use, but completely secure.[1]

Only a small number of officials are allowed contact with foreign representatives, and most of them have little or no latitude to clarify official policy statements. Information limitations also affect wide segments of the population. It has been reported, for instance, that only 50,000 persons in the U.S.S.R. have access to copier machines.[2] The (Soviet) Institute of the U.S.A. and Canada did not obtain its first copying machine until 1983.

Except for the Khrushchev memoirs and the insights provided by Schevchenko, there is little direct, current knowledge available to outsiders about the Soviet process for making essential decisions: e.g., how the Politburo works, its priorities, and principal constraints, the foreign policy process, the relationship of Communist party and military leaderships.

Allied and friendly government posts in the Soviet Union can be located only in Moscow and Leningrad, although there is a small Japanese consular post at Nakhodka, east of Vladivostok on the Sea of Japan, and discussions have occurred about establishing an American consulate in Kiev. Restrictions preventing travel to much of the Soviet land mass limit official observations about what is happening there to satellite and other photo and electronic data. Information from human sources is heavily skewed toward Moscow perspectives and provides scant leads about thinking in the more remote republics. While there is an extensive exchange of information among Western diplomatic posts, a great deal of information routinely available to foreign representatives in other countries is unavailable to them in the U.S.S.R.

These factors pose unique difficulties for Western governments in obtaining sufficient information to provide an adequate base for understanding the government and society of the Soviet Union.

Under the circumstances, Western governments need to rely more heavily than elsewhere on secondary sources of information such as: emigre reports; public reports and, when there is willingness to do so, debriefings by U.S. and other private citizens, such as business persons, students, journalists and others who have spent time in the Soviet Union, and Western participants in East-West conferences and meetings. Reports and information of this sort must be sought not only in the U.S. and the U.S.S.R. but in other countries as well. For example, France has had a long-standing arrangement with the U.S.S.R. which permits several hundred French students and teachers to study and to teach in 70 cities in the Soviet Union, including a number of closed cities. The public reports which such persons make after their experiences in the Soviet Union may provide some useful insights.

The search for secondary sources involves time-consuming, tedious work which may yield information of only marginal interest and value in most instances, but there is no substitute when dealing with a Soviet society which remains largely closed to Westerners. Systematic coverage of such sources over time can yield important baseline information against which to identify new or changing social, economic, and political developments and trends.

The information sought should conclude, in George Kennan's words, "not just contemporary happenings, but also traditional outlooks and reactions."[3]

Dean Rusk has stressed the importance of more systematic and better-coordinated debriefings of non-government persons from academic and media occupations who are trained observers likely to have information of particular interest and worth.[4]

It is common knowledge that much important information about major developments in the U.S.S.R. comes from the U.S. or foreign media reportings. On many occasions Washington has first learned of major developments, like the death of a general secretary or the Chernobyl accident, from statements or broadcasts by newspaper or television journalists.

American journalists assigned to Moscow work under many of the same handicaps as U.S. officials and some additional ones. As with official representatives, their travel is restricted and contacts closely monitored, although they may have somewhat greater access to certain Soviet citizens and familiarity with widespread economic and social problems and popular trends of thought. No matter how fiercely independent of U.S. government control or influence journalists have been, the Soviets are inclined to view them as foreign agents operating without diplomatic immunity. The arrest of U.S. journalist Nicholas Daniloff provided a recent reminder of the perils of their assignments.

There is probably a more symbiotic relationship between American journalists and officials in the Soviet Union than in any other major country, as evidenced by the long-standing regular press briefing sessions in the embassy living quarters. Both are trying to learn some of the same things about people and events in a society that is essentially closed to Westerners. Officials need to be highly sensitive and respect not only the traditions of journalistic independence but also the vulnerable and exposed positions of the journalists.

But when their Soviet assignments are concluded, the published reports and interviews by journalists should be of prime interest to the government. As trained observers, many of them have gained fresh insights and information about Soviet society which add an important dimension to official perspectives.

Several officials interviewed have stressed the need for more direction from government leaders about the topics the latter would like to see more fully developed for information purposes. As resource limitations become more acute, more attention should be given to the priorities assigned to areas of needed coverage.

The extent of efforts made by an administration to cover any particular category of unofficial sources of information about the Soviet Union varies but tends to follow a pendulum pattern over time. Sources that are well covered in one period may be neglected in another and vice versa.

At present, for instance, after a period of relative neglect, the U.S. government is financing a major project at the University of Illinois to conduct personal interviews with up to 4,000 Soviet emigres to this country, and a related project is underway in the Federal Republic of Germany with former Soviet citizens who have settled there. The United States Information Agency has just completed the fifth in a valuable series of "surrogate" reports dating back to 1980 which describe the view of mid-to-upper-level Soviet officials about the U.S. and superpower relations, as gleaned from U.S.I.A. interviews with West European and American private citizens who have had contacts with Soviet elites.

Within the limits imposed by the Soviets, contacts and reporting by U.S. personnel stationed in the U.S.S.R. and their efforts to accompany and debrief congressional and other American visitors who meet with leading Soviet authorities are generally praised.

From project interviews and discussions, the panel has concluded that: American government leaders should give officials responsible for gathering information about the Soviets more guidance about topics and areas where fuller information would be helpful; efforts should be made to expand information sources among Americans and other nationals in several distinct categories as cited below; and procedures should be instituted to assure that systematic efforts to canvass specific groups are sustained and evaluated at regular intervals.

Recommendations:
Expansion of Sources of Information

(1) Executive branch leaders should give agencies and officials responsible for gathering information about the Soviet Union fuller, more specific, and more regular guidance about the areas and topics for which additional information would be most useful.

(2) Greater efforts should be made to: gather more information about developments in the non-Russian republics; debrief Soviet emigres who settle outside the United States; learn the views of western newspaper and television journalists who have worked in the U.S.S.R.; interview American and other country businesspersons who have had recent contacts with Soviet officials; and seek selected American and foreign students and others who have lived and traveled in the Soviet Union.

(3) Procedures should be instituted to assure that sustained efforts are made to contact and debrief various non-official sources for information about the U.S.S.R. in a systematic manner permitting the accumulation of baseline data in accordance with established priorities, as well as to provide regular review and evaluation of such efforts and priorities by disinterested experts.

(b) Selection, Summarization, and Presentation

Secretary of State George Shultz observed recently that if we "put a label on our era, we would have to call it an Information Revolution." He added that "in the past five years (1981-86), message traffic between the State Department and our posts overseas has increased by about 50 percent."[5]

George Kennan has noted that "detailed factual information has to be assembled in such quantity that very little of it, served up raw and undigested, would be of use to busy American policy makers."[6] To which it should be added from the experience of Panel members that raw information from human or mechanical sources can give dangerously false impressions when it is unevaluated and seen out of context.[7] And yet there are other occasions during crises when it can be dangerous to ignore such data.

Selecting the information that should be made available to higher officials immediately from the much larger mass that should first be analyzed and placed in context or put aside is an exacting, labor-intensive, round-the-clock task. As Secretary of State Rusk used to say: "When we are asleep, two-thirds of the world is awake and up to mischief!" The selection of information to bring to the attention of higher authorities calls for judgment and coordination at the points of collection and transmission as well as at the receiving agencies and the White House.

The persons who perform this unending requirement are usually mid-level officials serving on shift assignments. It is this corps of duty officers who must decide the items to include and what phrasing to use in cable and intelligence summaries prepared for the President and key department and agency officials on an overnight or more frequent basis as required by international developments.

Such summaries have included in recent times memoranda prepared by the White House and N.S.C. staff, the secretary of state's evening reading memos for the president, weekly summaries from the secretary of defense, the State Department's Operation Center summary of cable messages, and the intelligence community products, including the President's Daily Brief, the National Intelligence Daily, and daily summaries from the National Security Agency, the Defense Intelligence Agency, and Bureau of Intelligence and Research at State. Each summary omits certain items included in other summaries, and each includes items which are also included in others, though often cited with different highlights and areas of emphasis. Media and press summaries are also prepared and some published reports are also included in official summaries.

Each agency head needs to be aware of the items covered in his organization's summaries and items relevant to his concerns that are included in the other summaries. The degree of summarization and synthesis needed rises sharply with the position of the reader within each agency, and reaches a peak, of course, with the president.

Just reading the daily flow of summaries from the agencies concerned with national security affairs is time-consuming, and keeping abreast of even the most important and urgent incoming cables adds to the problem. When consideration is also given to the continuous competing demands of domestic affairs for a president's time and attention, the heavy premium placed on conciseness, accuracy and good judgment in selecting and preparing the foreign affairs information forwarded to the Oval Office becomes obvious.

Effective summarization and synthesis of foreign affairs developments for the president call for special skills. These skills are different from normal reporting or editing and require close attention to the chief executive's individual requirements and presentation in alternative forms best suited to his needs and schedule. The products should faithfully reflect any significant differences of fact and analysis by principal advisers and others.

The multiple responsibilities of the national security adviser make it necessary for him to delegate the tasks of summarization except for notes or annotations on papers sent forward and occasional efforts by the adviser to provide his own analyses of events and policy issues. When a crisis involving the Soviet Union breaks, the advisor's own need for summarization and synthesis may become acute, if he is to be available to brief and meet with the president as often as required.

Recommendation:
Selection, Summarization and Presentation

The National Security Council staff should include a small group of non-policy level career officers from the State and Defense Departments and the intelligence community on temporary assignments, staggered to provide continuity between administrations, to prepare under the guidance of the national security adviser summaries of important developments for the president. The summaries should be based on material drawn from all department and agency sources, updated as often as needed particularly in times of crises, and made available for use in alternative lengths and formats (voice tapes as well as written) for use at any time required or preferred by the president.

(c) Layering

The circle of advisers chosen by presidents to meet with and advise them in making important decisions about matters affecting relations with the Soviets is usually small in number. Because of fear of leaks the advisers in situations of greatest sensitivity are often given rigid instructions by the president to restrict awareness of the matters under consideration to a handful of other officials in their own agencies. Sometimes they are told not to inform any of their associates. Thus officials with the most extensive knowledge of the topic or aspects of the topic under consideration may be prevented from contributing essential information and views.

In an informal press conference on Nov. 21, 1986, Secretary of State Shultz used the following terms to address this general issue: "Now when it comes to carrying something out, it's very hard to do it in this government, if you have a lot of people involved, . . . and that's one of the great problems we have these days . . . If very many people are involved, it is not possible to carry it out in a secure way, and if you feel it is essential to carry it out in a secure way, then you are going to have a limited number of people involved. And the greater the limit, the less available to you are the talents in the government who know the subject."[8]

Sometimes "layering" can cause serious problems when highly relevant information is known at lower levels of the government but not at the top. One example of this problem happened during the Cuban missile crisis, as already noted. Certain Air Force personnel knew that American Jupiter missiles were just being turned over to Turkish control when the naval quarantine of Cuba was announced. This fact was not known by President Kennedy or by any member of his small "Excom" group of advisers, who dismissed Soviet concerns about the Jupiters as an effort to change the status quo on the assumption that the missiles had been in place for several years.

Recommendation: Layering

Each member of closely restricted high-level groups of presidential advisers should take steps to assure that he will receive all information available within the jurisdiction of his agency that might be relevant to sensitive matters under presidential consideration without revealing the reasons for his requirements.

(d) Institutional Memory

The foreign affairs departments and agencies of the U.S. government have serious shortcomings of institutional memory. These weaknesses have often given other major powers like the Soviet Union an advantage in their dealings with us. The problems involve not only lack of knowledge of and timely access to relevant needed records of past contacts with foreign governments, but also failure of presidents and high officials to record certain conversations and decisions.

This section describes the development of law and practice in this area, factors contributing to poor institutional memory, and instances of difficulties caused by lack of adequate records. It concludes with a discussion of panel proposals for legislative and administrative actions to correct major aspects of the problem.

Law and Practices

From the Washington through the Carter administrations, presidential papers, including all records created or received by a chief executive, were considered to be the property of the president to be removed by him after his term of office and disposed of by him or his heirs as they saw fit. As late as the 1920s, presidential heirs were known to have destroyed such papers at their discretion.

Under President Franklin Roosevelt and subsequent presidents, the practice developed of donating back to the government certain important presidential papers, chosen by the former president. A formal deed of gift signed before leaving office or immediately thereafter became routine. In President Johnson's administration a law was passed preventing tax deductions for such gifts.

In the wake of controversy over the Nixon tapes, the Presidential Records Act was passed in 1978, which will go into full effect when President Reagan leaves office. Under this legislation all "presidential records" generated now and in the future are declared to be government property. But they will continue to be moved by Inauguration Day to the former president's new library or preparatory storage areas. The former president will have de facto control over access to records properly classified "in the interest of national defense or foreign policy" for a period of 12 years.

Thus, incoming presidents and their assistants will continue to be faced with empty file drawers. The presidential records of their predecessors will remain scattered in widely dispersed libraries and repositories of former presidents, none of which have secure electronic links with the White House. The relatively few, if any, lower-level N.S.C. professional staff holdovers and department and agency career officers may have limited or no knowledge about the most sensitive and important earlier presidential contacts with foreign representatives. Lack of knowledge of the existence of such documents obviously precludes timely requests to see them. In cases where the existence of relevant documents is known, compliance with access requests by incumbent presidents has usually been granted, although former President Nixon has turned down such requests by the State Department.

Federal agency heads, including national security advisers in their capacity as head of National Security Council affairs (not in their role as presidential adviser), are required to make and preserve "agency records" under the Federal Records Act of 1950, as amended. The law is not explicit regarding memoranda of conversation with foreign representatives. There are no comprehensive procedures for recording such conversations or the action that may flow from them; nor are there guidelines about the degree of desired specificity or provisions about the preferred archival arrangements for the officials' papers when they leave office. Cabinet officers and security advisers, like presidents, have followed diverse practices. Some have taken no papers with them; others have taken extensive record copies or originals, interpreting liberally in their own favor what is a personal and what is an agency record in the process.

Deterrent Factors

Many political, practical, behavioral and legal factors contribute to the U.S. government's poor institutional memory in foreign affairs.

The Freedom of Information Act (FOIA) has come to be perceived by many in the executive branch as the major deterrent to making records. Even though its provisions clearly exempt documents properly classified "in the interest of national defense and foreign policy" Frank Carlucci recalled from his period as deputy secretary of defense, receiving advice from aides "not to put it in writing" because of the fear of release under the FOIA. Although there have been a few releases made in error under the Act which have proved embarrassing, they have been rare and of minor consequence compared to deliberate leaks of classified information by others. But the Act poses a real and growing deterrent to proper record making. One official stated that in cases where the N.S.C. used to receive full verbatim records 25 years ago, it may now receive, if anything, only a bland summary paragraph containing no information about how decisions were reached.

Requests filed under the Act have grown at an extraodinary pace. The N.S.C., for instance, receives three times more FOIA requests than it did at the end of the Carter administration. Many of them ask for records of sensitive classified foreign policy discussions that occurred just days earlier. No matter how recently a request for specific information has been made and the classification of the material sought reviewed and found proper to justify denial of the request, the law requires that every new request for the same material must be reviewed.

A significant number of FOIA requests come from foreign nationals—five-to-ten percent in some agencies. Foreign contacts have cited our laws and practices as reasons not to divulge sensitive information to American representatives.

The lack of continuity of key personnel when administrations and parties change is a significant contributing factor to U.S. relative weakness of institutional memory. The 2,000-to-3,000 person usual turnover in key official positions at times of transition here contrasts sharply with mere handful of officials that change in other governments. Only eight non-ministerial changes were reported when Margaret Thatcher succeeded James Callaghan as prime minister. Nevilie Chamberlain, Winston Churchill and Clement Attlee were each served by the same Foreign Office diplomat as private secretary during their periods as prime ministers. In the Soviet Union many of the foreign affairs officials in key roles relating to U.S.-Soviet relations for a decade or more remain in positions of authority in such matters today: e.g., Andrei Gromyko, Anatoly Dobrynin, Georgi Kornienko, Viktor Karpov, Aleksandr Bessmertnykh, Yuli Vorontsov. Except for Ambassadors Paul Nitze and Jack Matlock, virtually no one holds a comparable position of authority in the U.S. government today who had similar high responsibilities prior to 1981. As former National Security Adviser General Brent Scowcroft has pointed out, the greater institutional memory made possible by continuity of key career personnel can provide a significant advantage.

Other inhibiting factors may sometimes include distrust of the successor regime and concern that it will misuse certain records to embarrass its predecessor; fear that making a record of various sensitive contacts with foreign governments will lead to wide distribution, leaks, or deliberate release; individual habits of secretiveness and the control of access to essential records as a means of personal power; "saving it for the memoirs" in an era of multimillion dollar book advances; and the press of other business that may result in records never being made.

Difficulties Caused by Absence or Unavailability of Records

Many Panel members and former officials interviewed recalled instances when high level government officials were embarrassed because they were unaware of statements or commitments made by predecessors to representatives of other governments. There have been occasions when they first learned of such contacts directly from representatives of the other government involved. Sometimes awareness of contacts occurs only years later when memoirs and other reports are published.

The special problems of making, storing and retrieving the records of past U.S.-Soviet summits are discussed in section 1(d), but similar problems exist involving many kinds of foreign contacts.

In March of 1977 when Secretary of State Vance presented to the Soviets in Moscow President Carter's alternative proposals that called for either deep or moderate cuts in strategic missile launchers, he did not have on hand the records that may have been made by the principals at the time of President Ford's and Secretary of State Kissinger's discussions with General Secretary Brezhnev and Foreign Minister Gromyko before and during the 1974 Vladivostok summit meeting. So Vance was not in a strong position to challenge the point when Brezhnev alleged that the U.S. proposals were in conflict with a 1974 commitment by Ford and Kissinger to drop insistence on Soviet heavy missile cuts in return for Soviet acceptance of equal aggregate ceilings for missiles and bombers in SALT II without counting American forward based nuclear delivery systems capable of reaching the U.S.S.R. or British and French nuclear forces.[9]

Mr. Carter and Mr. Vance had each been given comprehensive general oral foreign policy briefings by Mr. Kissinger, although memories differ about the extent of details provided about the Vladivostok discussions. Holdover N.S.C. staff members had prepared a transition memorandum summarizing the "acknowledged commitments known to have been made" by the preceding administration. The principal author of the memo recalls that he encountered major obstacles in attempting to review the Vladivostok records and that his paper contained no information about the point raised subsequently by Brezhnev with Vance. Other officials do not believe that the alleged commitment was ever made by Ford or Kissinger, but opinions remain divided. The issue did not prove consequential since Brezhnev rejected the proposals out of hand on other grounds. But failure to have relevant past records available for important negotiations affecting the national security is illustrative of the difficulties so often encountered by new administrations.[10]

The executive branch had difficulties during the Nixon and Carter administrations in reconstructing and interpreting the unwritten understandings reached with the Soviets at the time of the 1962 Cuban missile crisis, as amplified and modified by subsequent events and exchanges. This was a problem during the 1970 controversy over the Cienfuegos submarine facilities and later.[11] As already discussed in Section 1(f), the inability of the intelligence community to retrieve and correlate pertinent records and later information relating to the 1962 understandings was largely responsible for the mishandling of the intelligence "discovery" of the Soviet "phantom combat brigade" in Cuba in 1979 with its highly adverse effect on ratification of the SALT II treaty.

Discussion of Remedial Actions

There is no sound reason why the U.S. government should continue to risk embarrassment in the conduct of its foreign relations with other countries, particularly adversaries, because records of prior contacts were never made, or if they were, because they are unknown or inaccessible.

While many of the factors contributing to institutional memory problems cannot be remedied without basic changes of official habits and perspectives, other problems can and should be ameliorated by better laws and administrative practices.

The Federal Records Act of 1950 and the Presidential Records Act of 1978 should both be tightened to require explicitly that records be made and lists maintained covering all substantive contacts with foreign representatives. Even though no statutory penalties are involved, it would be helpful to make clear that failure to make such records is a violation of law. Removal from the White House of presidential records of this nature at the end of a president's term of office, which is now uniform practice, should be prohibited in the future, although the former presidents should be permitted to keep copies of all such records in their libraries and to retain their present role regarding any public release of the records.

The panel supports two amendments of the Freedom of Information Act.

One amendment would require that any release of unclassified material made in response to the request of a foreign national be reviewed with special care and released simultaneously to the general public. This should help reduce the perceptual problem that inhibits contacts and record making because of concerns about erroneous releases of properly classified material.

The other amendment would modify the FOIA provision which calls for a new review of the appropriateness of classification each time a request for that material is made. Only one review every five years would be required in the case of memoranda of conversations with foreign representatives, unless new evidence to justify release were presented during the interim, such as description or quotation of the material in published memoirs or reports.

In addition, the executive branch is urged to take several administrative actions to enhance the government's institutional memory in national security matters.

The first would be an effort to assure that American interpreters are included or other means are taken to assure that records are made of substantive foreign contacts by high level officials.

Second is a recommendation that existing sanctions be enforced more effectively to safeguard against removal of agency records when agency heads leave office.

A third suggestion is for better procedures to assure that records of understandings with other governments reflect any modifications made by amendments or interpretations over the years.

And finally, similar efforts should be encouraged to integrate official and relevant public information appearing in U.S. and foreign publications which may alter the significance of government-held information about important events and developments.

A case in point was the Eisenhower administration's perceived inability, without revealing classified information, to counter Kruschev's public claims of outraged surprise about U-2 overflights after Francis Gary Powers' flight crashed. It was only after administration officials testified before Congress that an officer of the National Security Agency "discovered" that the Library of Congress had on file two articles carried in a Soviet Air Force publication more than a year before the Powers incident. Based in part on an article from the American Modeler Magazine, the Soviet article cited the U-2 by that designation, discussed its design, and mentioned its overflights of Soviet territory.

More recent instances when available public information relevant to the U.S. official position was not known or used relate to the Chernobyl accident in the spring of 1986 and the arrest of Soviet spy Gennadi Zakharov the following summer.

At the time of the Chernobyl reactor explosion, initial American media commentary and statements by U.S. officials were highly critical of the assumed absence of adequate containment facilities. As soon discovered, however, detailed material indicated that the plant's containment features there were considerably better than first assumed, although not, of course, sufficient to safeguard against the human errors that caused the meltdown. This material, in Russian and English, was available in public libraries and in reports by Americans who had visited the plant before the accident.

The State Department action memorandum proposing advance approval for the 1986 arrest of Soviet U.N. employee Zakharov on espionage charges failed to cite the Soviet arrests in Moscow of Yale professor Frederick Barghoorn in 1963 and of American businessman Jay Crawford in 1978 immediately following the arrests on spy charges in the U.S. of Soviet personnel assigned to the United Nations who, like Zakharov, did not have diplomatic immunity. Apparently the only officials who would have recalled the former cases were absent on leave when the memo was prepared. We can't know whether approval of Zakharov's arrest would have been given if the precedents had been known or whether the arrest would have been deferred, with possible avoidance of the immediate subsequent arrest in Moscow of Nicholas Daniloff, U.S. News & World Report Moscow correspondent. No matter what the decision would have been, the example further demonstrates the need for better storage, integration and retrieval of closely related public and classified information.

Recommendations: Institutional Memory

(1) The Presidential Records Act of 1973 and the Federal Records Act of 1950 should be amended to provide explicitly that presidents, agency heads, and all other government officials are responsible for making proper records of substantive contacts with representatives of foreign governments.

(2) The Presidential Records Act should be amended to require that the original presidential records of all substantive contacts with representatives of foreign governments be retained in the White House with a complete listing of such contacts and to assure that copies only are removed to the archives or repositories of former presidents.

(3) The Freedom of Information Act should be amended first, to require that any release of unclassified information made in response to a request by a foreign national be reviewed with special care and released simultaneously to the general public; and second, to require only one review every five years of requests for specific presidential and agency records of contacts with representatives of foreign governments, unless a subsequent request presented new evidence that warranted an interim review.

(4) Administrative actions should be taken: first, to assure that an American interpreter is present or other steps are taken to make records of substantive discussions between high level executive branch officials and foreign representatives; second, to provide stricter enforcement of existing sanctions against removal of agency records when agency heads leave office; third, to improve methods of correlating and retrieving records of past official contacts and understandings with foreign representatives to cover all subsequent official modifications and interpretations; and fourth, to improve methods of filing, storing, integrating, and retrieving relevant public information about key developments and correlating it with related official and classified information.

CHAPTER 3

Analysis

The closed nature of the U.S.S.R. necessitates heavy reliance on gathering voluminous information from secondary sources, both human and technical, and places an unusually heavy burden on analysts of Soviet affairs.

As George Kennan has stated:

> There is an inescapable need for the analytical middleman who can take this body of raw material and translate it into summary conclusions sufficiently succinct and sufficiently wide in their connotations to be useful to those who make policy.[1]

The relatively few Soviet officials allowed contacts with Western representatives, the tight party discipline and controls over what they are permitted to say, and the reliance placed on propaganda by the Soviet government, all pose difficulties for sound analysis.

Most of the past and present officials interviewed for this project have expressed satisfaction with the analyses of Soviet affairs produced at the American embassy in Moscow and at the primary analytical agencies and bureaus in Washington concerned with such matters, despite some notable failures. While many voice a desire for fuller treatment of Soviet political intentions, there is widespread recognition of the severe limits faced by those who try to gather and analyze Soviet party and government leader's actions and reactions. While the competence of each agency and the confidence placed in it has varied over time depending largely on the presence of specially gifted experts, each has broadly acknowledged areas of expertise and certain perceived biases.

Specific areas needing strengthening in U.S. analyses of Soviet affairs most commonly identified by Panel members and others relate to: the need for a clearer sense of priorities and interests; the handling of conflicting official views of American officials; allied and friendly country official views; American and foreign private experts' views; assumptions about Soviet perceptions and intentions; questions of presentation; and separation of analysis and policy issues. Each of these is discussed below. A concluding section sets forth panel proposals.

(a) Priorities and Interests

There is a broad consensus among analysts that their products could be improved if they received more regular, specific and timely advice about the priority needs and current interests of U.S. government leaders. Admiral Bobby Inman has stated that in his 22 years of intelligence work for the government the single most crippling factor for analysts was lack of advance knowledge of U.S. policies and the specific courses of action under consideration to further U.S. interests. Obviously without such advance knowledge, estimation of probable Soviet reactions cannot be done effectively.

(b) Diverse and Conflicting Views

Robert Kennedy once wrote about President Kennedy's desire for "unfettered and objective analysis" from diverse sources particulary in critical times. "There is an important element missing," he observed, "when there is unanimity of viewpoint."[2]

Others presidents like Roosevelt, Johnson and Carter have not only tolerated but actively sought conflicting analyses and advice about Soviet affairs, sometimes requesting "devil's advocate" briefs and arguments.

In presenting national estimates, the Central Intelligence Agency has taken care to footnote dissenting views of other agencies in the intelligence community. The practice should be extended to cover significant conflicting views within such agencies, and operating agencies should follow the same procedure when forwarding important analytical pieces to U.S. leaders. While it is obviously essential for leaders to know what represents predominant views in the analytical community, it can also be important for them to know about the dissenting individual views of certain widely respected official analysts in a field in which circumstantial evidence and subjective judgments play a large role.

Others have proposed that the State Department formal "dissent channel" procedure—which has been employed with varying degrees of encouragement by Secretaries of State since Dean Rusk inaugurated it in the '60s to permit foreign service officers who take strong substantive issue with embassy recommendations to cable their views to the Secretary of State—be extended to apply to the overseas personnel of other agencies.

Partly for similar purposes, all professional career officers returning from tours in the Soviet Union are supposed to be debriefed for their factual and analytical insights, which may or may not have been reported. In practice, it is estimated that only 30 percent actually do so. All returning personnel should be interviewed thoroughly.

Although the close relations between Western embassies in Moscow enable U.S. representatives to learn about major differences of analytical perspectives among them, many observers believe that Washington should make more systematic efforts to do so directly with Western governments as well as through the North Atlantic Treaty Organization. As is the case on occasion in the U.S. government, foreign ministries may analyze various situations differently than their own embassies. It might also be useful to keep in contact with some of the most respected former representatives to the U.S.S.R. of other nations, such as former Ambassador Robert Ford of Canada, to obtain their analyses of Soviet developments.

Almost no one consulted during the project feels that the American government does a satisfactory job of covering the analytical views and insights of respected U.S. and foreign private experts on the Soviet Union.

A number of persons have suggested that the government provide regular coverage and abstracts or fuller descriptions of the views of private experts as expressed in journals and media accounts, and solicit the unpublished views of certain leading experts on issues of special importance. Others propose more regular discussions with non-governmental experts, individually or in groups, although considerable efforts to do so have been made by some officials, notably by Secretary of State George Shultz.

(c) Soviet Views

The need to understand how the Soviets think was stressed in the background cable to President Kennedy from then Ambassador to the U.S.S.R. Llewelyn E. Thompson on February 1, 1961: "... we both look at the same set of facts and see different things."

Former Director of Central Intelligence William Colby has written that "a look at the world from the viewpoint of the Soviet... may be wrong but real, and have huge implications for dealing with them. It is my impression, hopefully outdated, that we have not done well in this field.... It requires the analyst to place himself in the person of the Soviet, and look at the world as it appears to him."[3] In his retrospective book on the Cuban missile crisis, the late Sen. Robert F. Kennedy stated that he and his brother placed greatest stress on "the importance of placing ourselves in the other country's shoes."[4]

Closely related views were stated by former U.S. Deputy Chief of Mission in Moscow Mark Garrison:

> We know a good deal about the declared objectives of the Soviet Union, but not enough about the relative priority attached to them. There are often clear conflicts among those objectives. ... The intelligence community can shed useful light on what affects the process of choice among these relative Soviet priorities, by identifying the objective factors that influence Soviet decision-making. These factors—of history and geography, of political culture and patterns of conduct—are essential cornerstones for sound, professional interpretation of Soviet behavior. ... Interpretive analysis cannot be perfectly objective. There are too many variables. Good analysts may differ. But we can and should expect the intelligence community to strive for objectivity—not only in its judgments on the substance but also in making clear to policymakers where the uncertainties lie and what factors enter into the judgements.[5]

In the view of the Panel, stronger efforts should be made in government analyses to "look at the world from the viewpoint of the Soviets." Some of this is done already, of course, but analysts are under some of the same inhibitions as policy makers in making systematic efforts to suggest likely Soviet perceptions and perspectives. Doing so can all too readily expose them to charges of appearing unduly sympathetic to communist sensitivities. Insistence that relevant analysis should focus on probable Soviet intentions must come from the top.

In recent correspondence, President Carter indicated that analyses of likely Soviet points of view had been particularly useful to him during his term in office.[6]

(d) Presentation

The format of analyses should be shaped to fit the time available and preferences of presidents and agency heads. Oral as well as written presentations should be made available in regularly updated form, particularly in fast-moving situations where time is of the essence. All of the national security analytical units of government should have the capability to produce high quality print, color, pictures, maps and graphs to enhance their presentations, which is not the case with some of the units at present. Greatest care should be given consistently to the precision and quality of writing, editing and analyses summaries intended for top leaders.

(e) Separation of Intelligence and Policy

Panel members and others have emphasized the importance of preserving a sharp distinction between intelligence and policy in written analyses and in deliberations involving government leaders.

When estimates are prepared and briefings conducted which contain political coloration or cater to certain policy views, the integrity and reliability of all analyses suffer. In an area of prime importance such as U.S.-U.S.S.R. relations, the greatest possible objectivity and clarity of judgment are needed. Confusion about the line between intelligence analysis and policy views can cause serious misperceptions and misjudgments.

Recommendations: Analysis

(1) High-level officials should provide government analysts of Soviet affairs with more regular, timely, and specific guidance about U.S. policies and courses of action under consideration and about current U.S. priority analytical needs.

(2) Analysts should make more systematic efforts:

to include fuller treatment of significant conflicting official views among and within departments and agencies;

to exchange analyses of Soviet developments with respected allied and friendly government sources; and

to obtain, abstract, and disseminate relevant views of leading U.S. and foreign private sector Soviet experts as expressed in journals, media appearances, and special presentations.

(3) Department and agency heads should require analysts to include their best estimates of probable Soviet perceptions, intentions, and reactions whenever such considerations may be relevant to pending U.S. policy decisions and actions.

(4) Analyses should be made available in varying formats and lengths to fit the individual needs and schedules of government leaders.

(5) The important distinction between intelligence and policy should be carefully delineated and observed.

CHAPTER 4

Communications

In order to achieve common understandings of areas of dispute and agreement with the Soviets, government leaders need to make informed choices about the channels and methods of communication that would be most appropriate to use under different circumstances.

This portion of the report includes panel findings and recommendations that concern (a) selecting the optimum channel or channels of communication among many alternatives and deciding whether to choose public or private methods of exchanging views; (b) the pitfalls of attempting to signal intent solely through actions; and (c) the desirability of communicating important points in writing. It examines proposals: (d) to establish risk reduction centers in both capitals; (e) to provide for fuller use and modernization of the hotline; and (f) to add certain technical links between the home ministries and their embassies in the other capital and between those embassies and the host governments. The final sections deal with (g) the troublesome problem of gaining needed access to Soviet leaders, and (h) public and private meetings between Americans and Soviet officials and citizens.

(a) Choice of Communication Channels and Methods

Incoming presidents and their Cabinet-level foreign policy designees should be briefed as soon as possible after their elections and appointments about the channels that can be used to communicate with the Soviets, their respective advantages and disadvantages, and their reliability and effectiveness under various conditions.

The choices made about the channel(s), person(s), and place(s) to be used for such communications can materially affect whether a message or signal gets through in the form intended and in a timely manner to the intended recipient. For important communications such decisions should be made by high level officials.

The form of communication may be official or unofficial, public or private, authorized and attributable or disavowable, direct or indirect, and conveyed by words or actions. An illustrative list would include:

Oral communications between highest authorities at summit and other meetings;

Correspondence between presidents and general secretaries delivered directly or through representatives with or without accompanying instructions;

White House-Kremlin direct "hotline" communications;

Communications by phone;

Messages conveyed by public speeches and statements;

Oral and written diplomatic communications in Washington, Moscow and elsewhere between authorized officials, e.g., foreign ministers, ambassadors, special representatives and other aides and advisers;

Signals conveyed by government actions;

Contacts by intelligence personnel;

Contacts by civilian and military representatives at negotiations, conferences, etc.;

Congressional contacts with Soviet leaders and representatives; and

Communications through international organizations, other governments and private intermediaries.

When important messages are involved, using redundant channels and places of communication can help assure timely delivery in correct form to the intended recipient. In some cases it may be sound practice to deliver the message through the U.S. embassy abroad as well as to the foreign embassy in Washington, providing a time advantage for the former when feasible.

Designation of the level of authority of the sender and recipient of a communication can also have crucial implications. In certain situations a presidential communication may be the best or only way to achieve a desired result. But on many occasions there may be an advantage in designating a Cabinet-level or other official as the sender—even though the message may have been written or approved by the president. This can give the president added time and more flexibility, if needed, to change positions or correct misperceptions.

The level of authority of the Soviet official to whom a message is sent also warrants careful consideration. Obviously an exchange with a minister or other official does not carry the same degree of finality as one with a general secretary, and permits a direct appeal to the leader if needed.

The choice between public or private means of communication or a combination thereof often determines effectiveness. Clearly there are times when public diplomacy is appropriate, particularly in a democracy where it is essential to build and maintain public, legislative and media understanding and support. Every U.S. administration is expected to react publicly to certain statements and actions by the Soviets and would lose standing if it failed to respond in a strong, timely and visible manner. Just as clearly, however, the history of U.S.-Soviet relations demonstrates that certain issues cannot be resolved without the use of private diplomacy.

Returning from Europe in March of 1986, Secretary of State Shultz, when asked about the latest public arms control proposal by General Secretary Gorbachev, asserted that "we're not going anywhere" in Soviet-American relations until Moscow and Washington agree to stop conducting their diplomacy in public. In a plea that most of his predecessors might have echoed on prior occasions, he noted that "When

I handed (Soviet Prime Minster Nikolai) Ryzhkov a letter with the President's recent testing proposals in Stockholm, the contents of the letter had already been briefed and responded to in Tass. . . . We're never going to get anywhere doing things that way. I'm saying this is a pattern now. . . . We will get somewhere in our relationship with the Soviets when we're able to have some discussions that are relatively quiet and direct."[1]

The significance of the many confidential exchanges that occurred between U.S. and Soviet representatives during the summer and fall of 1986 became evident during and after the Reagan-Gorbachev Reykjavik discussions in October. Despite the breakoff of the talks between the leaders, both sides have continued to allude to the progress made on many major problems. Private means of communication are clearly essential when sensitive or complex negotiations and give-and-take on both sides are required to resolve differences.

Recommendations:
Choices of Communications Channels and Methods

Before or soon after taking office, presidents and other high officials should receive briefings about the channels that can be used to communicate with the Soviets, their advantages and disadvantages, and their reliability and effectiveness under various circumstances. The president and his key advisers should be directly involved in determining the channels, persons, and places for important exchanges, and should give personal attention to decisions about use of redundant means of communications and about the level of authority of the officials designated as sending and receiving a message. Private means of diplomacy should be used when sensitive negotiations are required to resolve differences.

(b) Communicating through Actions

Signals are sometimes sent to the Soviets by U.S. military actions, such as force movements or changes in alert status, that will become known almost immediately to Soviet authorities and may appear hostile to them. When such actions are taken without a statement of intent on our part, it virtually assures that Soviet authorities will make "worst case" readings of the actions and will respond accordingly, as the U.S. would be compelled to do if the circumstances were reversed. As Raymond Garthoff has written, ". . . what is intended as a deterrent or defensive response, the other side may well see as an offensive challenge."[2]

Postwar superpower military annals include many instances when Washington or Moscow took military actions that raised serious concerns on the other side. Soviet military alerts, large scale maneuvers, deployments, certain test launches, massing of troops in border areas, threats of military actions, and actual border crossing operations in Eastern Europe, the Middle East, Far East and elsewhere are well recorded. These activities were rarely if ever accompanied by Soviet explanatory communications to Washington, and often evoked strong U.S. responses.

To prepare for or warn against actual or threatened hostile Soviet moves, the U.S. government has on a few occasions felt compelled to raise the defense condition (DEFCON) alert status: for example, during the 1960 Paris summit meeting; during the Cuban missile crisis and Vietnam War; during the 1970 Syrian actions against Jordan; and the Middle East War in 1973. When a general preparatory DEFCON 3 alert is ordered, implementation actions usually become known to the Soviets and attract media notice within a few hours at the most.

The reasons for increases in U.S. alert conditions have not normally been explained to the Soviets. The assumption has been that it will be obvious to them that their own actions or threats have triggered such moves on our part and that we are preparing to counter them. If it is the conscious intent of the American government in specific circumstances to let the Soviets make their own "worst case" interpretations of U.S. military moves, criticism of the lack of U.S. communications explaining those moves is not justified. But if our intention in not explaining our views is to "keep them guessing" without full understanding that their perception of and response to our actions are virtually assured to be based on a worst case reading of events, criticism is fully warranted. The same would be true if our actions were intended as signals to other governments, but could be read by the Soviets as hostile to their interests, and we failed to advise them of our intentions.

A good example of the advantage of communicating the meaning of specific actions occurred during the six-day Middle East War of 1967. When the U.S. Navy communications ship, the S.S. Liberty, was attacked by the Israelis off the Sinai coast, President Johnson ordered an aircraft carrier of the Sixth Fleet to go to the scene to investigate. Because the U.S. fleet movement could have conveyed hostile intent to the Soviets and Egyptians, Johnson sent a hotline message advising Chairman Aleksei Kosygin that the action was taken for investigatory purposes only. The President's message also expressed the desire that the Soviets pass the information to the government of Egypt, with which we had no diplomatic relations. Kosygin replied that he had done so immediately and later expressed appreciation for the exchange to former Ambassador Thompson in Moscow.[3]

Recommendation:
Communication through Actions

The Soviet government should be advised of U.S. intentions in advance of or concurrently with American military actions that could appear hostile or threatening to the Soviets, unless it is deliberate U.S. policy in specific circumstances to risk a "worst case reading" of such moves by them and Soviet responses or counteractions that would follow from that interpretation.

(c) Communicating Important Points in Writing

> Diplomacy, as its name implies, is a written rather than a verbal art, and the great high roads of history are strewn with little shrines of peace which have been either left unfinished or have collapsed when completed, for the sole reason that their foundations were built on the sands of some verbal misconceptions.—Harold Nicolson, *The Evolution of Diplomacy* (1954).

The Panel strongly urges that the major points in important communications with Soviet representatives be made in writing whenever possible.

It is not prudent to rely exclusively on any individual Soviet representative, no matter how competent, to convey an oral message exactly as intended. To do so is to trust not only his English language proficiency, memory, and reporting skills, which may be entirely professional, but also his sense of what is politically acceptable to report to his superiors and his actual standing with them—which are likely to be unknown factors. It also subjects the oral message to the capabilities and intentions of unknown officials in Moscow who may process, summarize, or handle the U.S. communication before it reaches the intended recipient, if indeed it does.

Most of the secretaries of state who communicated with the Soviets through former Soviet Ambassador Dobrynin, for instance, believed him to be an accurate reporter of their exchanges. But they could never be certain. He almost never took notes despite the complexity of the subject matter. His standing with his superiors during his quarter-century here must have varied considerably but that factor was never clear to his U.S. interlocutors.

Different presidents, secretaries of state, and other American officials have used different practices in such situations. Some have been content to rely on their own communication abilities to convey major points satisfactorily to Soviet representatives. Many diplomats take pride in their ability to recall and report conversations fully and feel that it casts doubt on their interlocutor's professional abilities to pass writings to him or to expect him to take notes and that doing so inhibits genuine exchange of views. Others have followed the practice of accompanying oral presentations with formal written messages or informal "non-papers" that spell out the important point. Only written communications provide any real assurance that the message will be conveyed in the form intended.

Conveying an important message by silence or omission can readily be misinterpreted or ignored unless intent is spelled out. It was only after a specific inquiry by the late Ambassador Phil Jessup that the U.S. determined that the dropping of a stock phrase in a statement by Stalin provided the basis for resolution of the Berlin airlift crisis in 1949. The superpowers have enough trouble communicating with each other without depending on such guessing games.

Recommendation:
Communicating Important Points in Writing

Important points in U.S.-Soviet communications should be made in writing, so that the intended recipients and others in addition to the representatives who handle the communications will have a chance to see them in the form intended.

(d) Risk Reduction Centers

Concern about adequacy of existing government-to-government communications to prevent and manage nuclear crises, particularly those arising from third country conflicts and terrorists, led Senators Sam Nunn (D-Ga.) and John Warner (R-Va.) and the late Senator Henry M. Jackson (D-Wash.) to suggest the creation of a joint U.S.-U.S.S.R. "crisis control center" several years ago. The idea was refined in both unofficial and official working group studies in the intervening period, and gained the support of a large number of congressional sponsors.

The focus now is on a proposal to create nationally staffed, round-the-clock risk reduction centers in both capitals connected by advanced communications equipment, to serve three initial roles: continuous watch for events that could lead to nuclear incidents; exchange of required notifications; and meeting places for bilateral risk reduction and other discussions.

U.S. and Soviet Positions

In response to the congressional initiative and after its own review and modification of the proposal, the administration sought and obtained Soviet concurrence for including the following language in the 1985 joint summit meeting statement:

> Risk Reduction Centers. The sides agreed to study the question at the expert level of centers to reduce nuclear risk, taking into account the issues and developments in the Geneva negotiations.

An American interagency expert group led by Colonel Robert Linhard of the N.S.C. staff and Assistant Secretary of Defense Richard Perle met in Geneva during the spring and summer of 1986 with a Soviet group led by Soviet Strategic Arms Reduction Talks negotiator, Ambassador Sergei Obukhov, to explore the matter. The United States put forward essentially the same position that the administration approved in extensive discussions with Senators Nunn and Warner. As summarized in a "non-paper" which they presented to Soviet General Secretary Gorbachev in September 1985, the U.S. proposal calls for:

> Centers to be established in Washington and Moscow to (1) "maintain a *24-hour watch on any events with the potential to lead to nuclear incidents*"; (2) "serve as communications links for all required military and arms control *notifications*"; and (3) function as *meeting places* for (a) ministerial and other diplomatic discussions "relating to risk reduction and confidence building measures," and (b) "Incidents At Sea sessions, high-level military exchanges, National War College exchanges and other discussions that would promote dialogue on nuclear doctrines, forces and activities."
>
> Communications equipment linking the centers would be "equivalent" to the currently upgraded hotline.
>
> "The U.S. center would be manned by U.S. diplomatic and military personnel, and vice versa."
>
> "Designated liaison officers from the Soviet Embassy would be given access to the U.S. center under controlled escort on a periodic basis, and vice versa."

While the conclusions of the Iceland discussions and the earlier discussion on this issue have not been announced, it is widely assumed that an agreement to establish the centers which is consistent with the original proposal was ready for announcement at the conclusion of the Reykjavik summit meeting if the talks had not been broken off, but that agreement could be announced in the future whenever the leaders decide that the timing is appropriate.

Modified and Additional Centers Roles Suggested by Others

Congressional sponsors of the centers proposal, while welcoming the administration's position on the centers as the "initial phase of operations," suggested publicly and to Gorbachev "other roles that might be added in the future" including:

Unauthorized parties' use or threat of use of nuclear weapons. Discussion of procedures to be followed in the event of such terrorist occurrences; maintaining close contact during the occurrences; and exchange of information concerning events that might lead to the acquisition of nuclear weapons, materials or equipment by such parties;

Joint U.S.-U.S.S.R. staffing of each center; and

Upgraded communications capabilities to include secure voice and teleconferencing systems.

Others have suggested additional roles and organizational arrangements for the centers, such as the monitoring of unexpected nuclear proliferation developments and third country developments that threaten U.S.-Soviet conflict, and inclusion of the existing hotline in risk reduction centers when they are established.

Discussion of Advantages, Disadvantages, and Modifications

Pros. The risk reduction centers, as proposed by the administration, would enable each side to contact the other at any time on agreed matters of actual or potential urgency for exchanges at levels other than the president and general secretary. The hotline would continue to be used for highest level contacts. But the centers would be available for use whenever one of the leaders wished to gain information or time for deliberation by having aides conduct preliminary explorations before the determination of final government positions or for other reasons. This could be particularly helpful when the evidence on one or both sides about a dangerous or potentially dangerous development is fragmentary or ambiguous. Modifying tentative positions or correcting inadvertent or mistaken expressions of intent obviously involves fewer disadvantages if aides are involved in the first instance rather than national leaders.

The centers would help overcome the long-standing problem of establishing needed urgent contact with Soviet officials other than by hotline messages to the general secretary during non-business hours. Ambassadors Hartman and Stoessel have recalled times when "it was difficult to contact even the duty officer at the Foreign Ministry:" or a "charwoman at the Kremlin" when they had important messages to deliver at night, on weekends, or during vacation periods.[4]

Another possible advantage has received little or no public attention. Agreement to create the centers could well lead Soviet authorities to set up more advanced and convenient communications facilities that would enable Soviet leaders to keep in fuller contact with American counterparts to better manage events that threaten East-West conflict in crisis situations. While the evidence is inconclusive and circumstantial, the Kremlin may not have such facilities now except for the direct communication link "hotline" and the communications centers in the Foreign and Defense ministries.

Arkady Shevchenko has stated that as of the mid-'70s when he left the Soviet diplomatic service and obtained asylum in the United States, crises were handled on a purely ad hoc basis and the general secretary and Polituro had nothing comparable to the White House situation room to facilitate handling of urgent events. He recalled an occasion when he was serving as an aide to Foreign Minister Gromyko, who was traveling abroad, when Soviet shipping was damaged by U.S. bombing of Haiphong Harbor during the Vietnam War. Shevchenko and a few others, including one of Brezhnev's aides, were called together by first Deputy Foreign Minister Vasily Kuznetsov in his office, which became the de facto crisis management center for the incident despite the lack of facilities and awkward location.[5]

Just before the Yom Kippur War broke out on Oct. 6, 1973, Secretary of State Kissinger asked Soviet Ambassador Dobrynin to request his government to inform Egypt and Syria, with whom we had no diplomatic relations, that the Israelis had made a commitment to the United States that they would not initiate military action against their neighbors. Dobrynin doubted that his communications were fast enough for Moscow to be able to act in time. When offered the use of the U.S. end of the hotline to contact the Kremlin, Kissinger reported, the Soviet envoy indicated that "the Soviet end was too far from the Foreign Office," so the White House phone switchboard was placed at his disposal which he used to contact his superiors.[6]

None of the many past or present officials interviewed for this project knows whether the party and government leadership has such a 24-hour center. Former Ambassador Hartman thinks that Soviet leadership's mishandling of the Chernobyl accident and the KAL Flight 007 shootdown provided strong indications of poor political-level communications.

The formation of centers in both capitals with direct, advanced communications links available at all times for risk reduction purposes would be advantageous to both countries.

Proponents also stress the utility of the centers as an appropriate site for regular meetings of American and Soviet officials to discuss various existing and potential risk reduction measures and procedures, such as the annual meetings held under the Incidents at Sea Agreement which are widely acknowledged to have lessened the likelihood of U.S.-Soviet naval accidents. Personnel from the two centers, if allowed to meet on a regular schedule and discuss their concerns, might be able to identify other areas where similar understandings could be sought that would be mutually advantageous. The centers would also be an appropriate place for meetings such as those called for by Secretary of Defense Weinberger on May 29, 1986, for U.S. and Soviet defense ministers to discuss "the wide gulf on issues related to each other's military forces, doctrine and intentions." Ambassador Hartman has also suggested that the centers could be useful places to hold periodic "doctrinal discussions."

Finally proponents argue that risk reduction would be given a strong impetus by the creation of new centers with risk reduction as their exclusive mission rather than the world-wide watch functions of existing watch centers, which have to moniter developments in all regions.

Cons. Various criticisms of the risk reduction centers proposal have been made.

The initial executive branch concerns were concentrated on the provision in the original proposal that the centers have joint American-Soviet staffs. Protection of information about intelligence sources and methods, military force dispositions, and plans, and diplomatic efforts was believed to be at risk if joint staff patterns were in effect. Elimination of the suggestion for a joint staffing feature of the proposal largely removed these concerns. The administration acknowledged that all necessary security precautions could be taken during the proposed "periodic escorted visits" by Soviet embassy liaison officers.

Opponents of joint staffing also suggested that Soviet personnel in the U.S. center would probably have minimal or no information about dangerous situations that might arise, and that there would be no reason to expect that they would be given such information by higher Soviet authorities who would likely prefer to control directly any such release.

Each of the three proposed initial functions of the center—watch, notifications, and meetings—is already performed adequately elsewhere in the view of some U.S. officials. The watch functions of the White House Situation Room, National Military Command Center, State Department Operations Center, and similar centers in the intelligence community include those envisaged for the new centers. Arms control and other notifications are exchanged in the bilateral Standing Consultative Committee and elsewhere. There is no need, they argue, for new centers just to serve as meeting places for the kinds of discussions that have and can as readily take place in other locations.

Modifications. Others have suggested that a much simpler bilateral agreement to permit use of the largely idle existing hotline for risk reduction communications by high-level aides and experts, subject to preemption at any time for presidential-general secretary exchanges, would accomplish the essential mission of the proposed centers with fewer potential coordination, command and control problems.

The communications facilities of the U.S. risk reduction center, once established, should include the hotline, in the view of others, because of the added difficulties of coordination and separate staffing that the separate operations would entail. They note that some backers of the centers believe they should be used primarily for exchange of slow or "cool-line" information dealing with "crisis prevention" issues and only secondary, if at all, to assist with information exchanges needed for "crisis management." But they believe that this is an artificial distinction which would have no practical meaning in the typical crisis situation when moves and countermoves are escalating.

There is a wide consensus that the secretary of state and the U.S. ambassador to the Soviet Union should be privy to all center communications, and that normal, established channels of communication should be used and not by-passed for non-urgent matters.

Some are skeptical about any president's willingness to authorize use of risk reduction centers for sensitive information exchanges or inquiries, because of lack of first-hand knowledge of the personnel involved and worry about leaks when whole new shifts of interagency staff would be added to those with knowledge of the issues. Former President Carter, however, thinks that the centers proposal is "a good concept."[7]

Disinformation and misinformation from the Soviets is another often-cited obstacle, but such techniques of deception are often used anyway, and the United States has to identify and counter such efforts when they occur in any case.

Strong arguments, with which the Panel agrees, have been made to expand the roles of the centers from the start or as soon as possible to include watch coverage and exchanges in three situations: (1) threats of conventional as well as nuclear conflict between the U.S. and the U.S.S.R.; (2) nuclear proliferation; and (3) nuclear terrorism.

First, most experts agree that the greatest threat of nuclear war is apt to arise from gradual involvement and escalation by the superpowers on opposite sides of third country conflicts, such as those that have arisen in the Middle East. In such circumstances latent threat of use of nuclear weapons and the dire eventualities that such action could precipitate become live considerations only after a conventional conflict has escalated dangerously, either deliberately or unintentionally against the desires of one or both of the superpowers.[8] Since neither the U.S. or the U.S.S.R. can have confidence that limited use of nuclear weapons against the vital interests of the other would be responded to in a limited manner, any situation threatening direct U.S.-U.S.S.R. conventional or nuclear conflict should be dealt with through the most effective available channels, including communications through risk reductions centers.

Second, threats of imminent nuclear proliferation should also be dealt with by the centers. There is clear and substantial superpower mutuality of interests in preventing additional countries from obtaining the ability to make nuclear weapons. Over the years the United States and the Soviet Union have usually cooperated closely with each other on nonproliferation issues. In 1977 the Soviets advised American representatives in New York and Washington that a nuclear test by South Africa was imminent and showed them Soviet photographs of the test site. The United States verified the evidence and pressed the South African government strongly and with apparent success not to take such action. On that occasion it took the combined efforts of both superpowers to prevent the threatened proliferation. Since a Shultz-Gromyko agreement a few years ago, the United States and the U.S.S.R. have met twice yearly to discuss International Atomic Energy Agency safeguards and other proliferation problems, and the meetings have been conducted in a relatively constructive manner. But it is entirely possible for nuclear proliferation developments to occur suddenly between the scheduled semi-annual meetings. In such cases it could be highly desirable for the superpowers to exchange data between risk reduction centers that would not require highest-level hotline exchanges.

And third, U.S. and Soviet interests would probably be similar enough to warrant immediate use of risk reduction center communications in the event of many kinds of potential threats and incidents of nuclear terrorism, as noted in the recent report of the International Task Force on Prevention of Nuclear Terrorism.[9] This was recognized in a bilateral agreement reached in June of 1985 specifying that the hotline was available for use in such situations. It was implied without commitment that such communications should be used before either side charged the other with responsibility for the occurrence. While the accord did not attempt to define terrorism or to spell out what would happen in the event that such dangers were sponsored or occurred in a state with close ties to one of the superpowers, its negotiation indicated recognition of a common interest at least in convincing the other side that any retaliation should be directed elsewhere. In situations where communications were desired on both sides, preliminary exchanges of information and inquiry through the centers would probably be more helpful in most cases than highest-level messages.

Finally, some have suggested that while secure voice and videoconferencing capabilities have not been proposed for the centers, presumably to reduce the risks of points made inadvertently in verbal exchanges, the consequence of errors is less serious when the exchanges are between subordinate officials rather than national leaders. The added capabilities could speed communications significantly in urgent situations, particularly when several parties are involved at both ends. Planning for and development of such capabilities for stand-by use should proceed with recognition that either side could decline to use such means if it preferred written or facsimile exchanges.

As McGeorge Bundy pointed out, on certain occasions during crises, round-the-clock availability of reliable, advanced communications between Washington and Moscow could add to the time needed for deliberations, since the President and his advisers would not have to worry about their ability to reach responsible Soviet authorities without delay.

Implementation

The Washington risk reduction center should be a unit of the National Security Council under a director reporting directly to the national security adviser. It should be located in the White House-N.S.C. complex perhaps as part of the new N.S.C. Crisis Management Center or Situation Room, in order to help assure central top level command and control at all times. Placing the proposed center in the N.S.C. complex will pose difficult physical, bureaucratic, and management problems—for instance when a president may direct that certain information not pass through the center at all or not be shown to certain agencies. But the same difficulties would be posed, and command and control, bureaucratic and management problems would be greater, if it were located in the State or Defense Departments or elsewhere. Panel members with the most relevant experiences felt that if the center were not part of the N.S.C., it would be less likely to operate effectively.

Regardless of its location, it is essential that the U.S. center's operations be integrated as fully as possible with the roles and missions of existing departments and agencies in terms of staffing, management, information flow, and other substantive interactions, with all of the electronic links that would help achieve this result.

Staffing the existing round-the-clock watch centers in the White House, State Department, Pentagon and intelligence community and the hotline terminals with trained, competent personnel and keeping them in a constant state of readiness is difficult. The physical and social stresses of shift work, the tedium of "tending the machines" to screen incoming information and to alert higher level officials who usually form specialized expert task forces to assume direct control of a crisis—are not activities that tend to attract and retain highly qualified area or functional specialists and linguists.

Assigning center personnel responsibilities for improving crisis prevention procedures, for drawing together information about past crises and patterns of conduct, and for meeting regularly with Soviet counterparts to explore possible bilateral risk reduction advances, would provide important added inducements for such assignments and could produce constructive results.

As suggested in the U.S. proposal, the centers should be staffed by diplomatic and military personnel. Since the centers are to be nationally staffed, each side would be able to determine its own center's staffing pattern, drawing on experienced personnel of any of the national security agencies as needed to be members of the integrated interagency teams.

The hotline should be included in the center's communications facilities as soon as feasible to lessen problems of coordination and staffing, although this will add to the problems of control and access to messages of different levels of sensitivity.

And finally, the Secretary of State and the U.S. Ambassador to the Soviet Union should be privy to all communications to and from the Soviets that flow through the center.

Recommendations: Risk Reduction Centers

(1) The Reagan Administration's proposal to establish nationally staffed 24-hour risk reduction centers in both capitals is supported.

(2) The centers' roles should be extended from the start of operations or as soon as feasible thereafter to include:

third country situations that threaten direct U.S.-U.S.S.R. conventional or nuclear conflict;

nuclear proliferation developments of such urgency that they cannot be dealt with through normal channels; and

threats and incidents of nuclear terrorism whenever there may be commonality of superpower interests.

(3) The U.S. center should be part of the National Security Council and located in the N.S.C. complex under a director reporting directly to the national security adviser. It should have an interagency staff of diplomatic, military and other personnel, drawn from the agencies concerned with national security affairs. Such a staff would help assure White House command and control plus essential and effective two-way integration with the roles and missions, information resources, and needs of existing agencies.

(4) The communication facilities of the risk reduction center in Washington should be expanded as soon as feasible to include the hotline.

(5) The secretary of state and U.S. ambassador to the Soviet Union should be privy to all center communications to and from the Soviets.

(e) Fuller Use of Hotline

The White House-Kremlin "hotline" direct communication link can now utilize U.S. and U.S.S.R. satellites, and if necessary, the INTELSAT satellite dedicated to international usage, for the exchange of high speed teletype and facsimile transmissions. A backup wire telegraph circuit is also available. Translators are on duty on both ends of the hotline at all times.

The original hotline agreement of 1963 grew out of mutual concerns about reliance on communications through embassies that had involved dangerous delays and forced governments to resort to use of public statements to convey their views during the Cuban missile crisis.

By its terms, the hotline is designed "for use in times of emergency," but it has been used occasionally, as President Carter did in 1977, to emphasize the importance of a non-urgent message on negotiations.[10] In practice it has been employed only by the president and his counterpart, although it was used once in 1967 to relay to the Kremlin a message already sent by the State Department to the U.S. Embassy in Moscow for delivery to the Soviets, while aides were waiting for the leaders to come to the machines.

The U.S. Defense Department and INTELSAT hotline ground stations are linked by secure and redundant circuitry to the National Military Command Center in the Pentagon, where the Russian language translators are stationed, and onward to the White House. Hotline terminal stations at the State Department and elsewhere can receive copies of the incoming and outgoing traffic or be excluded at White House discretion.

The Soviet ground stations in Moscow are linked to the Kremlin at a location near the general secretary's office. It is unknown whether there are hotline terminals elsewhere. During the Middle East war in 1973, Ambassador Dobrynin implied to Secretary of State Kissinger that the Foreign Ministry did not have a link to the Hotline in the Kremlin, which is about a mile away. He rejected an offer to use the American end of the hotline, and accepted instead an offer to go through the White House switchboard. Kissinger added: "I found myself wondering what use it would be in a major-power crisis."[11] A modern Kremlin communications center for hotline and other communications equipment may not yet exist. A Soviet citizen working to implement the latest modernization agreement told a visitor in the spring of 1986 that hotline "site preparation" had not yet been completed.

In 1971, the governments agreed to modernize the hotline and permit use of satellites. The original land and under-ocean telegraph lines have not been abandoned since satellites began to be used in 1978. This is advisable because of the potential vulnerability of satellites to interference or destruction. Under a 1984 modernization agreement, fully implemented by the end of 1986, the hotline was updated again to provide the capacity for high-speed teletype as well as page-per-minute graphics facsimile transmissions.[12]

Except for daily test messages, the hotline has been used rarely—in 1967 (Middle East war), 1971 (India-Pakistan crisis), 1973 (Middle East war), 1977 (SALT) and 1981 (Poland and Lebanon). It proved helpful, fast and effective in those situations. As early as 1967, receipt of a White House message was acknowledged by the Kremlin only five minutes later, although most transmissions took longer. A transmission time of minutes would now seem long with satellite usage. (Hotlines established between Paris and Moscow and between London and Moscow by agreements in 1966 and 1967 have not yet been used.)

More Flexible Use

Agreement to permit exchanges by officials when authorized to so by the national leaders could provide desirable added flexibility of use during crises when normal channels of communication are inadequate because of time requirements. Such exchanges could help clarify points at issue by providing expert views or voluminous supporting material, sharing preliminary assessments, or making tentative suggestions with less risk involved than when the messages pass between heads of state. This could give the leaders and their advisers more information and time for deliberation before they have to decide final government positions.

The redundant circuitry now available makes expanded use, even simultaneously in both directions, entirely feasible. Guaranteed technical and procedural arrangements to allow either national leader to preempt use of the link whenever he wishes are entirely feasible.

A supplementary agreement on a scale of precedence indicators should also be sought since the hotline is used on some occasions for non-urgent messages.

An agreement for fuller use of the hotline would obviously involve fewer complications than one to establish risk reduction centers in both capitals, and yet it would offer many of the same advantages. If and when a risk reduction centers agreement is reached and the centers become operational, the hotline should be included among the new centers' communication capabilities to provide better command and control and coordinated use than would be possible if the centers and hotlines were in separate locations.

The Panel believes that the secretary of state and U.S. ambassador to the U.S.S.R. should be made privy to all hotline communications to avoid potentially dangerous coordination problems in dealings with the Soviets.

Further Modernization

The addition of secure voice and video capabilities was considered by experts during the latest hotline modernization but excluded because of concerns about the consequences of misstatements in direct "real time" discussions between the leaders through interpreters, revelation of facial or voice tensions and reduced deliberation time and opportunities for input by advisers during crises.

Under the 1984 agreement, the two sides agreed to conduct future reviews as necessary to improve the hotline. Panel members are of the view that a further hotline modernization agreement should be reached to make secure voice and video capabilities available for use, if desired by the president and the general secretary at anytime, with either leader free to reject such methods and insist on written communications if preferred.

"Real time" secure voice or video communications capabilities do increase risks of misinterpretations and would not be appropriate for use on all occasions—for example, if precision of wording were more important than speed or if more time for deliberation were needed. Such advanced technical methods would also add to control problems, and procedures would have to be developed for providing interpreters at both ends and for making appropriate records and governing subsequent access to them. But such problems exist now in more acute form if leaders insist on using open phone lines without advance preparations, as happened once in a phone conversation between President Ford and General Secretary Brezhnev.

There could be significant advantages to having secure voice and video capabilities for stand-by use in emergencies. National leaders, particularly those who have already met, may well be able to stabilize crisis situations more effectively if they can see and talk with each other directly. Video would be one sure method of verifying that the communications involved the top leaders on both sides. Transmissions by voice or video could also afford the leaders privacy from advisers, if they preferred, which involves risks but could be desirable under certain circumstances. For example, Khrushchev's long message to Kennedy, which provided the ultimate key to resolution of the Cuban missile crisis, appeared to reflect his own distinctive views more than a short message sent in his name received a few hours later, which contained unacceptable conditions and appeared to be a committee or ministry product.[13] Secure voice or video facilities, if they had been available then, could have helped eliminate U.S. doubts about authorship and surrounding circumstances.

Recommendations: Fuller Use of Hotline

(1) A bilateral agreement should be sought to provide for use of the hotline by officials specially authorized by a president or general secretary in urgent situations when normal channels of communication are inadequate or unavailable, with provision made for agreed precedence practices and indicators to assure highest level use at any time and to indicate the degree of urgency of a message.

(2) The secretary of state and the U.S. ambassador to the Soviet Union should be privy to all hotline communications to assure coordinated conduct of U.S.-Soviet affairs.

(3) The hotline should be further modernized to provide secure voice and video-teleconferencing capabilities for stand-by use on crisis occasions when both national leaders agree to use such forms of communication.

(f) Additional Technical Links

For several years the U.S. and Soviet governments have each had the capability by agreement to communicate with their embassy in the other capital by use of satellites rather than by multiple point-to-point radio relays and leased ground lines, which were subject to atmospheric interference and delays by the Soviets in connecting the land lines on their territory. The host governments still control the ground stations used for embassy satellite reception. Some communicators suspect that there have been isolated instances of brief delays by the Soviets, but none of consequence to date.

In 1983 the Reagan administration proposed direct government-to-embassy satellite links by both sides "as a promising method of improving crisis communications." Installation requires consent under the 1961 Vienna Convention on Diplomatic Privileges and Immunities, and the Soviets have not responded to the proposal, which has been repeated. The reasons for their unresponsiveness are presumed to relate either to their dependence on orbiting satellites with "down" times until a geo-stationary satellite was in place or to concerns that such capability may exist on an undetected, stand-by basis.

Recommendation:
Home Government to Its Embassy

Each government should be allowed to install and control its own direct satellite transmission system at its embassy in the other country under a bilateral agreement giving each side the right to bring in and maintain its own equipment without interference.

Other difficulties and delays have been encountered in effecting hand delivery of urgent messages from the embassies to foreign ministries and offices of national leaders. Sometimes it has been difficult to locate even a Soviet duty officer at off hours in Moscow to alert his supervisors about the need to deliver such messages. During regular business hours there are increasing traffic problems in both capitals, which will get worse when the new embassies now under construction in both places become operational and add to driving times, particularly at rush hours. A special, direct, secure teletype line from the State Department to the British Embassy which was installed during the Iranian hostage crisis was much used and suggests a useful precedent for improved U.S.-Soviet communications. Although a Soviet Embassy-White House link could be misused by the Soviets to bypass the State Department in non-urgent situations, such communications could always be redirected to the secretary of state, who should be kept fully informed of traffic on the link in any case.

Recommendation:
Embassy to Host Government

The U.S. and U.S.S.R. should agree to permit the installation of direct, high speed teletype links from their embassies to the White House and State Department and to the Kremlin and Foreign Ministry respectively for use in urgent situations.

(g) Access to Soviet Leaders

During most of Anatoly Dobrynin's 25-year tenure as Ambassador to the United States, he probably had a 20-to-1 advantage in access to highest American political and policy level leaders, including presidents, secretaries of state, national security advisers and others, compared to the limited access to top Soviet leaders granted to U.S. ambassadors to the Soviet Union.

The imbalance was due in part to Dobrynin's own success in making high-level contacts in Washington, which was facilitated by his long period of service and increasing stature in Soviet government and Communist Party leadership ranks. It was also due in considerable measure to the lack of discipline shown by U.S. leaders during most of the '60s and '70s in not insisting on greater reciprocity of access for the American ambassadors.

The Reagan administration has done much more than its predecessors in requiring reciprocity of ambassadorial access. Dobrynin had only two formal appointments with President Reagan, the second at the time of his final departure. (On the latter occasion he was reported to have advised Mr. Reagan that he should make fuller use of the American ambassador in Moscow!) The Soviet ambassador was routinely denied access to the national security advisers and N.S.C. staff and allowed to see the secretary of state only to the extent that the U.S. ambassador to the U.S.S.R., Arthur Hartman, was able to see the Soviet foreign minister. At recent meetings of Secretary Shultz and his counterpart, understandings have been reached as to which pending subjects will be handled in which capital. Systematic efforts were made to have Ambassador Hartman return to Washington for consultations, including publicized meetings with the President three or four times annually to enhance his standing in Moscow.

It can be debated whether the result has been increased or decreased bilateral communications and whether there were significant topics for discussion during much of the time between 1981 and 1985, but the principle of reciprocity of ambassadorial access has clearly been substantially restored. Although he had needed access to Foreign Minister Shevarnadze and Central Committee Secretary Dobrynin, Ambassador Hartman did not have a private substantive appointment with any one of the four general secretaries in office during his six-year assignment there. However, he was able to accompany various visiting American delegations and dignitaries to their meetings with Gorbachev. His Western colleagues in the diplomatic corps have not fared any better, and neither did any of his predecessors since Ambassador Thompson's first tour there during Khrushchev's ascendancy.

With the increased dialogue between the United States and the Soviet Union since 1985, the arrival here in 1986 of Soviet Ambassador Yuri Dubinin, and the imminent arrival of a new U.S. ambassador to the U.S.S.R. in 1987, it might be a good time for the President to press General Secretary Gorbachev for more regular reciprocal access to the national leaders by both envoys. As Ambassador Hartman and some of his predecessors have stressed, there is no adequate substitute for such contacts with the Soviet leaders to help gain a baseline of experience about leadership thinking in the Soviet Union and to impart U.S. views directly.

Russian language proficiency by our ambassadors clearly facilitates access. It would also be helpful to gaining better access to top Soviet leaders if American ambassadors to the Soviet Union served longer periods in that post. Although Ambassador Hartman's six year Moscow assignment was the exception, not the rule, most recent ambassadors have served there for only two or three years.

Recommendations: Access to Soviet Leaders

(1) The President and the General Secretary should agree not only to continue the practice of reciprocity of access for their respective envoys but also to grant more regular access to the other country's ambassador.

(2) To enhance the likelihood of access to the top leadership, American ambassadors to the Soviet Union should be proficient in Russian and serve in the post for longer periods than has been the norm in the past, unless there are overriding professional or personal reasons not to do so.

(h) Meetings

The Joint U.S.-Soviet Statement issued at the end of the 1985 Geneva summit meeting contains a section entitled "Process of Dialogue," which reads in part as follows:

> President Reagan and General Secretary Gorbachev agreed on the need to take place on a regular basis and intensify dialogue at various levels. Along with meetings between the leaders of the two countries, this envisages regular meetings between the U.S.S.R. Minister of Foreign Affairs and the U.S. Secretary of State, as well as between the heads of other Ministries and Agencies.

Recognizing that exchanges of views on regional issues at the expert level have proven useful, they agreed to continue such exchanges on a regular basis. They also undertook to "expand bilateral cultural, educational and scientific-technical exchanges" and to "encourage greater travel and people-to-people contact."

Current Dialogues

Meetings and dialogue have occurred on an expanded basis involving many levels of government as well as increased private non-governmental contacts during the last couple of years, in addition to summit discussions between national leaders, which are dealt with in Section 1(d).

Secretary of State Shultz has held eight sets of meetings with Soviet Foreign Minister Shevardnadze between mid-1985 and the end of 1986—a considerable step up from the past when the ministers usually met only at the United Nations in the fall and on one other occasion in the course of most years.

On April 23, 1986, Defense Secretary Weinberger advised the House Committee on Armed Services that he had invited Soviet Defense Minister Marshal Sokolov to visit the United States to discuss "the wide gulf on issues related to each other's military forces, doctrine and intentions." If he and Sokolov agreed to do so, "Such a meeting could be followed by a meeting of high-level uniformed military officers," and "invitations to Soviet officers to visit and give lectures at our defense schools and military academies; exchange visits of other military and civilian defense officials; and a renewed program of naval ship visits to each other's ports." The Secretary of Defense has not had a response to his invitation but it remains standing. (His predecessor, Harold Brown, and David Jones, former chairman of the Joint Chiefs of Staff, met with their counterparts at the 1979 Vienna summit meeting.)

Other high-ranking active duty and retired U.S. military service Generals have held discussions in the past with corresponding level members of the Soviet armed services and have generally considered the contacts to have been worthwhile experiences. General Goodpaster recalled such military-to-military meetings involving himself, General Nathan Twining and General Paul Freeman. Other more recent meetings involved U.S. Army European Commander, General George Blanchard, and Soviet East German Commander, General Ivanovsky, on several occasions in the '70s; War College classes visited the U.S.S.R. in 1983 and 1984 and in earlier years. Former Secretary of Defense and Joint Chiefs of Staff Chairman Jones met with Marshal Sergei Akhromeyev, Chairman of the Soviet General Staff in February 1987.

Since Gorbachev became General Secretary, however, Secretary of Commerce Malcolm Baldridge and other agency heads have met with their counterparts here or in Moscow.

Separate annual meetings on regional issues between regional assistant secretaries of state and soviet deputy foreign ministers for Africa, Asia, Latin American and the Middle East occurred in 1985 and 1986 in the United States, the U.S.S.R. and elsewhere. The objective of the meetings has been for each side to obtain a more realistic understanding of the other's views and perspectives, not to reach operational agreements. The discussions have usually lasted for two days with the principals and two or three assistants on each side. By agreement the joint press statement issued at the conclusion of such meetings contains little if any substance. The usual format has been an informal discussion starting with a "tour d'horizon" of the regional issues of interest to each side. American officials have generally found the discussions to be worthwhile and report that the tone has tended to become less ideological and more pragmatic after the initial sessions. In August 1986, Under Secretary of

State Michael Armacost met with a high-ranking Soviet official to discuss problems of more than one region. Regional discussions are expected to continue in the future.

Some major cultural events were held in both countries during 1986 under the General Agreement of the U.S. and the U.S.S.R. on Contacts, Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields, which was signed at the Geneva summit, and thirteen new exchanges were announced by the governments on Aug. 5, 1986.

One article in the Cultural Agreement declares that: "The Parties will render assistance to members of the Congress of the U.S.A. and to delegates of the Supreme Soviet of the U.S.S.R. making visits to the U.S.S.R. and the U.S.A. respectively (and) will encourage exchanges of representatives of municipal, local and state governments of the U.S.A. and the U.S.S.R. to study various functions of government at these levels." Despite the fundamental asymmetries of the two national-level bodies, it is important to note that the Supreme Soviet includes Politburo members, party secretaries, four-fifths of the members of the Central Committee, most of the editors of major publications, a number of marshals and admirals, and a mix of national and republic party and government leaders. While approximately one-quarter of the members of the House and half of the Senate have visited the Soviet Union, quite a few in delegations since Konstantin Chernenko's death, only four current Politburo members and less than five percent of Supreme Soviet delegates have ever visited the United States. There have also been sporadic visits to the U.S.S.R. by American governors and mayors.

Panel members believe that more regular U.S.-Soviet contacts should be encouraged and expanded. Resolution of outstanding issues has not been sought or achieved at most of the cited official meetings, and should not be attempted except at ministerial or other authorized levels. But the contacts have achieved the intended result of providing new opportunities for officials with like responsibilities on both sides to explain and discuss their government's views and priorities and improve their understanding of the other side's perspectives on the general, regional, or functional topics under consideration.

Contacts with Soviet authorities are normally limited to the relatively small number of their officials who are approved for such purposes. Any broadening of those contacts to include other Soviets in responsible positions can contribute to a more realistic understanding of relations on both sides.

The panel also finds that the periodic, privately sponsored American-Soviet meetings on arms control, economic issues, and regional affairs conducted by the Dartmouth Conference, the United Nations Association, the Atlantic Council, the American Committee on U.S.-Soviet Relations, the Council on Foreign Relations, the National Academy of Sciences, the Federation of American Scientist, the American Academy of Arts and Sciences and others have brought about a more realistic understanding of the issues discussed by influential persons on both sides.

Exchanges of scholars, teachers, and students and other people-to-people exchanges also deserve support with full recognition of what they can and cannot accomplish. As stated in an annual report of the International Research and Exchanges Board: "the exchange experience has put an end to any romantic notion that 'understanding' can be attained easily, or that, as Americans and Russians get to know one another, their problems will evaporate. On the contrary, our cultural contacts and educational interactions have confirmed both the extreme difficulty and the urgent need for effective communication, not so much to dispel what are probably irreducible differences, but to learn how to handle them in minimally destructive ways."[14]

President Reagan expressed the long-term goal of such contacts shortly before leaving for his first meeting with Gorbachev: "enduring peace requires openness, honest communications and opportunities for our people to get to know one another directly."

Recommendation: Meetings

The panel favors efforts to encourage and expand U.S.-Soviet contacts and dialogue at multiple levels, normally including:

secretary of state-foreign minister meetings more than twice each year;

annual meetings of regional and functional assistant secretaries of state and under secretaries with their deputy foreign minister or other counterparts;

secretary of defense-defense minister periodic meetings;

periodic meetings of Joint Chiefs of Staff chairmen and service chiefs and their opposite numbers;

yearly visits to the Soviet Union by the classes of the National War College and armed services schools, reciprocal visits to Washington by the Soviet defense and military school groups;

expanded exchange visits by delegations of members of Congress and Soviet leaders in the Supreme Soviet, as well as exchanges at local government and party levels;

regular and special meetings of U.S.-Soviet official, quasi-official and private groups on subjects of special concern and interest in both countries, including continuation of semi-annual meetings of communicators;

more cultural, educational, scientific-technical and people-to-people exchanges;

separate and joint public media appearances in each country by officials and private persons from the other country on a reciprocal basis.

CHAPTER 5

Personnel and Organization

Assuring the availability in the federal government of persons with the skills and experiences needed for the conduct of U.S.-Soviet affairs requires careful, long-term personnel planning and continuous readjustments as well as supportive organizational arrangements.

Diplomatic representatives, intelligence and military officers, negotiators, analysts, interpreters, translators, administrative and other personnel with the optimum levels of area, functional, and Russian-language knowledge and capabilities to achieve the desired results have to be recruited, trained, promoted and assigned with full awareness of the many years necessary to develop the talents required.

There are many obstacles. Future requirements cannot be stated with certainty. Soviet actions can alter drastically the scope of business to be conducted, the number of positions available at U.S. posts in the Soviet Union, as evidenced by the deep cutbacks in embassy and support positions following the Daniloff arrest, and the relative attractiveness of service there during periods of detente or confrontation. The atrophy in use of our embassy in Moscow during much of former Ambassador Dobrynin's long tenure here caused many dislocations.

Some qualified officers who plan to concentrate on U.S.-U.S.S.R. relations may find after first or subsequent assignments in the Soviet Union that they or their families are not willing to go live there again. The primary interest of others may change to concentrate on other countries or problems. Congressional and Office of Management and Budget support for Foreign Service needs may rise or fall with competing resource needs. Changing legislation and regulations can add complications. Budget restraints loom particularly large now and in the years ahead.

Many executive branch officials have worked hard over the years to nurture the needed feeder stream of qualified younger experts on Soviet affairs. But most of them and others who have been interviewed favor additional actions to strengthen the process. As Charles William Maynes has pointed out by way of illustration and contrast, "A major reason the Kennan generation was so good is that the U.S. government was willing to invest more in good people. (It) financed a three year period of study for each at a major university."

Panel consideration of personnel and organizational issues focused on four interrelated areas where changes seem warranted: (a) essential language proficiency and use; (b) the development of well-rounded general area background knowledge of Russian and Soviet history, culture and society; (c) closely related personnel policies relating to specialization, assignments and retention; and (d) the organizational base for the conduct of Soviet affairs. Specific recommendations are included under each heading.

(a) Language Training and Interpreters

Development of needed Russian language skills, so essential for effective representation as recognized by statutes and regulations, presents special difficulties.

Consideration of this problem was greatly facilitated by a recent Department of State study report by Ambassador Monteagle Stearns, who visited American posts in the Soviet Union and Moscow's State Institute on International Relations, the primary Soviet language training school, and spoke to many U.S. and Soviet officials in the course of his study.[1]

The Stearns report concludes that while the Foreign Service Institute does well in training a large number of Foreign Service Officers and other federal employees who serve abroad to minimal professional reading and speaking fluency (level 3 on a scale of maximum 5), "we are doing badly in developing real professional proficiency (levels 4-5) in those who most need it." It notes by way of comparison with the U.S. that the Soviet government, which employs an "unabashedly elitist" approach of identifying the most gifted language students in secondary schools and training them for longer periods, has superior classroom and lab facilities and has achieved higher levels of language proficiency. Some of the gifted young English-language representatives of the U.S.S.R. seen in various spokesperson and media roles, and even in congressional appearances in recent years, are the products of that system.

Recommendations concerning Russian language proficiency relate to suggested changes in recruitment, admission, and training practices and the development and use of skilled interpreters.

Recruitment and Admissions

The total cost to the government of providing about three years of Russian language training to advance trainees with no familiarity with the language to the level of professional fluency is estimated to be $250,000 to $350,000 or $100,000 per year. In the Gramm-Rudman era and with the entering Foreign Service average age level now 31, the advantages of recruitment and intake of persons who have already acquired fluency in earlier years are obvious. The slight point advantage now accorded Foreign Service candidates at time of intake should be increased significantly. Other federal career services which have Soviet assignment positions should provide similar admissions advantages. Most other major-country diplomatic services require language proficiency at time of admission.

Most linguists believe that it is necessary to start training by the early teens at the latest in order to acquire accent-free proficiency in a second language. But only 5,000 to 6,000 high school students study Russian even casually, which is less than one percent of the number studying French. Only a small number take Russian in college beyond an introductory course—far fewer at both school and college levels than in the peak years of the late '60s, although improvement has been reported at some graduate schools. Clearly it makes sense to provide solid encouragement to qualified career service candidates interested in government careers in Soviet affairs who have proved their seriousness and credentials by acquiring on their own, advanced Russian language proficiency in graduate courses or in studies, work or temporary residence in the Soviet Union.

The small pilot program of American and Soviet university and secondary school teacher exchanges initiated by the United States Information Agency for the 1986-87 academic year under the new bilateral Cultural Agreement could have important multiplier effects in increasing Russian language proficiency throughout the United States. It should be encouraged and expanded.

Recommendation: Recruitment

Greater efforts should be made to recruit candidates with advanced Russian language proficiency and to provide significant advantages in entrance requirements for those with such skills.

Training Practices

Several improvements in language training, based substantially on recommendations in the Stearns report, have been endorsed with modifications by the Panel. They concern extension of training for junior officials; advanced language training; training opportunities in the U.S.S.R. or elsewhere; and testing and rating procedures.

Junior Officers. Untenured junior foreign service officers are now limited to 26 weeks of language training. Despite special aptitude or proficiency in Russian, they may have to use much of the initial half-year training period to acquire another language in order to meet immediate Service needs in other areas and to be evaluated in their assigned functional "cone" (political, economic, administrative and consular) before they are awarded tenure. For example in the foreign service class of 50 officers that entered in February of 1986 the three new officers who spoke Russian were then given 20 weeks of Spanish and French in order to fill consular assignments at posts where those languages are spoken—as are most members of incoming classes. For substantive and financial reasons, these regulations should be revised and other steps taken to enable junior officers of all career services who will be given assignments involving contacts with the Soviets to obtain fuller Russian language training at optimum younger learning ages.

Advanced Training. The principal Foreign Service deficiency cited in the Stearns report is the failure to train a limited number of officers to the levels (4-5) of advanced professional proficiency needed to serve effectively in certain key positions at hard language posts. At present there is no overseas position that requires higher than level 3 proficiency, and the Foreign Service Institute 44-week advanced language training course is designed to bring diplomats and other career service officers up to that level. The proficiency requirements should be raised for a carefully selected small number of positions at posts like Moscow where great fluency is needed. Providing more advanced language training at one of the best U.S. university programs or overseas (see next subsection) appears to offer the soundest options.

Various financial and other inducements are now provided in the Foreign Service for acquiring and upgrading hard language skills. These help but do not go to the heart of the problem. It is common wisdom in the Service that "time out for training is promotion time lost." Experience has shown that good language grades in a training year do not measure up well against good reports in operational assignments by officers in the same competitive class in the ratings given by the annual promotion selection panels. This factor is a particular deterrent to senior training because of the limited number of years now permitted in senior grades without selection for advancement or career extension. While some officers may want to compete for the earliest possible promotion, others should be permitted to opt for a "non-rated year" to obtain the added language training needed to fill key designated positions.

Overseas Training. Most educators agree that the best advanced language training can be acquired in the country where that language is the primary tongue. Article I of the U.S.-U.S.S.R. Cultural Agreement signed at the 1985 summit meeting is broad enough to encompass exchanges of this nature for young diplomats, but no effort has yet been made to reach an accord with the Soviets to provide such opportunities for young career officers of each country. The Soviets already have such accords with Japan as well as several communist and friendly Third World countries. Reciprocal openings could be offered at leading U.S. universities and at the Moscow State Institute for International Relations or another language training center in the Soviet Union. Because of present Soviet hard currency shortages, provision for having the receiving country pay all non-transportation costs would probably be essential.

If such an agreement cannot be reached, consideration should be given to fuller utilization of U.S. overseas schools in the Federal Republic of Germany where Soviet emigres participate in language training as well as familiarization of students with Soviet culture and habits of thought, although many persons believe that language training at a top-rank U.S. university would be more valuable.

Testing and Rating. Criticism of certain aspects of the present testing and rating processes appears to justify remedial actions. A level 3 proficiency rating, for instance, may be quite adequate to conduct business in certain countries where English is widely taught and used, but inadequate for professional needs at hard language posts like Moscow. And yet no recognition is given to the different meanings of the same ratings in tests, which are administered after the same 44-week advanced training courses for all languages. Many observers have doubts about instructor's abilities to grade trainees with sufficient disinterest since the results may affect their teaching careers, and they urge contracting out test administration. Others urge more frequent testing of proficiency levels for which language incentive awards are granted to assure maintenance of such skills.

Recommendations: Language

(1) Russian language training for junior officers, now limited to six months during the first four years before eligibility for Foreign Service tenure or otherwise limited in other career services, should be extended by several months to permit acquisition of higher levels of proficiency at optimum younger ages.

(2) Each embassy where a hard language is spoken should be authorized to designate a small number of positions, perhaps three or four for Moscow, to be filled only by senior officers with advanced language proficiency (levels 4 to 5), and the state department should encourage officers to achieve the requisite language skills by allowing them to opt for a year in which they would not be ranked competitively against peers if they acquired advance ratings in language training at a U.S. university or abroad.

(3) The United States and the Soviet Union should agree to make available and fund an agreed number of language training openings at leading training centers in each country for junior diplomats of the other government.

(4) Language proficiency ratings should convey similar levels of professional competence after advanced training courses whose length should depend on the degree of difficulty of the language. Test administration should be transferred to a disinterested government agency or private testing service, and more frequent testing should be used to determine maintenance of language competence.

Interpreters

At present the Language Services Office in the Bureau of Administration at the State Department, after depleting caused by the freeze on many official bilateral discussions following the Soviet invasion of Afghanistan, has only five civil service Russian interpreter/translators on staff with 10 more part-time contract employees with top secret clearances on call depending on other commitments. Our chief arms control negotiator has stated that one reason that the pace of the START talks in Geneva could not be "accelerated" earlier, as directed in the joint 1985 summit statement, was that there were not enough available expert interpreters. If all of the U.S.-U.S.S.R. bilateral negotiations to which we are now committed were proceeding concurrently, the U.S. would not have enough interpreters to staff the discussions.

There is a considerable drop in capabilities between the best two or three current Russian interpreters and the next best ones. At times there have been standing orders not to use certain interpreters again to serve presidents or secretaries of state after initial problems have been encountered.

The special qualifications—partly native ability and partly learned—which are needed for important interpreting assignments have tended to be taken for granted by the White House and state department. U.S. interpreters have never been accorded the high status here that interpreters are granted in most other leading country diplomatic services. The U.S.S.R. for instance, trains and uses young foreign service officers for such services, and interpreting at high-level talks is considered a prized assignment for advancement up to and including ambassadorial ranks.

Officers in the U.S. Foreign Service and trusted local national employees often perform informal interpreting services, not always satisfactorily because of lack of special training, for senior officers and visitors. Adding some interpreter training for Foreign Service Officers with high language aptitudes and proficiency would be advantageous for the Service.

The State Department Language Services unit should be upgraded and placed under the direction of the under secretary for management with opportunities for assignments to regional bureaus. Training at the Foreign Service Institute and Language Services Unit should be combined to the greatest practical degree. Foreign Service officers should be assigned increasingly to provide interpreter services and made aware of the substantial opportunities such assignments provide for gaining familiarity with conduct of relations at the highest-level of government on both sides.

And, importantly, all interpreters should be given more instruction about the anticipated substantive aspects in advance of significant talks and negotiations.

Recommendation: Interpreters

The number, status, and substantive training of persons serving as interpreters for U.S. official discussions and negotiations should be enhanced. The State Department Language Services unit should be attached to the Office of Under Secretary for Management with opportunities for assignments in regional bureaus. Foreign Service officers should be trained and assigned increasingly to provide interpreter services.

(b) Area Training

Knowledge other than language skill is needed for the successful conduct of relations with the U.S.S.R. To understand Soviet society, which is so different from ours, it is essential to have knowledge of Russian as well as Soviet history, cultural inheritance, general institutional and personal customs and biases, thought processes, and evolving views of domestic and international matters, including Soviet views of this country and its leadership.

At present the Foreign Service Institute provides only a two-week course of lectures on such matters for incoming officers in addition to a half-day a week of additional area training for persons taking the 44-week advanced Russian language training program. Area-study papers are required and marks given, but the grades have little meaning in the assignment or promotion processes.

Efforts to expand area training have met with strong resistance because of the demands for early assignment of trained language officers to fill actual or anticipated vacancies in Washington and in the field. While the argument that such knowledge can be acquired most readily during assignments in the U.S.S.R. has theoretical validity, it overlooks the considerable practical difficulties confronting an officer trying to gain such competence while filling full-time embassy operational responsibilities.

Area training should be expanded for all officers prior to their first assignments to the Soviet Union or assignments to other posts where they will be expected to be in contact with Soviet representatives.

The Foreign Service Institute should be encouraged to accelerate efforts to integrate language and area training to the fullest extent feasible: e.g., by using important historical and cultural materials in language courses; cross-testing in both areas; conducting language and area seminars and conferences which require area as well as language competence; and enlarging the consequences of area study test results. Officers concentrating on Soviet affairs as analysts or in operational assignments in all of the career services should be encouraged to take Russian studies programs at leading graduate schools. It is of interest to note how many of the best American journalists who have been assigned to Moscow in recent years—a group whose work there subsequently has had a substantial influence on national perspectives—received training in such academic programs before their assignments.

Recommendation: Area Training

Area training in Russian and Soviet history, culture, customs, and evolving world views should be expanded and deepened, integrated with language training and testing to the fullest feasible extent, and area studies test results should be given more importance. Officers of all agencies who are concentrating on Soviet affairs should be encouraged to take graduate school Russian studies at an appropriate time in their careers.

(c) Related Personnel Policies: Specialization, Assignments, and Retention

Improvements in language and area training cannot achieve the desired results unless accompanied by modifications in personnel policy that make them possible. This is particularly applicable to policies regarding specialization, Washington assignments, and retention of the most qualified experienced officers.

Specialization

By long-standing policy and tradition, the Foreign Service develops its officers as generalists, capable of serving within broadly defined functions at posts in different countries and regions according to the needs of the Service. This system has some recognized advantages. It promotes acquisition of multiple experiences under widely differing circumstances, broadened perspectives, individual adaptability, and management flexibility of assignments. Specialization occurs under the present system only after after a bureau "captures and fights to keep" officers assigned to it, sometimes after one or two assignments elsewhere.

The advantages of allowing some specialization, however, appear to outweigh the disadvantages. Some outstanding younger persons have taken Russian studies or worked in the Soviet Union—as graduate students, businesspersons, bankers, U.S. exhibit guides and in other roles—and obtained broad knowledge and experience of conditions of life there, as well as Russian language proficiency. Some would like to specialize in Soviet affairs in public service careers. But some of them have decided not to apply or have rejected the offer of a Foreign Service career when informed that they would have to expect to be trained and serve first in another area and would probably not get a chance at a Soviet assignment until after completing a second unrelated assignment as well.

Most other professions and sciences employ a career pattern of specialization first and generalization later. There is no reason why the Foreign Service should not also recruit and support the most talented candidates to work on the problems of our most difficult bilateral relations regardless of whether they are determined to pursue a country specialty in their professional careers. Without abandoning its overall policy of developing generalists, the Service should admit each year a limited number of highly qualified, needed Soviet specialists and provide them equitable opportunities to compete for advancement up to and including ambassadorial ranks.[2]

Several institutional adjustments would be needed to assign and promote Soviet affairs specialists and generalists fairly. But there would be offsetting institutional advantages, e.g., requiring commitments from those permitted to enter as specialists to stay within their chosen field for a predetermined period of years and perhaps to take longer and multiple assignments in Moscow. More than 70 percent of the officers currently serving there were assigned for the normal two-year tours —a highly costly practice. Only three officers are now serving a third assignment at the post. It is becoming increasingly difficult under open assignment procedures to find officers and families willing to take second and third tours. By way of contrast, the present Soviet minister in Washington is now completing his third five-year assignment here.

Washington Assignments

Officers of each of the agencies who have acquired proficiency in Russian and performed well on assignments in the Soviet Union should be given more opportunities to continue and broaden their experience and knowledge of Soviet affairs in succeeding assignments in their own agencies or in other departments and agencies in Washington. The regular operational and analytical positions in the various departments which are devoted to such matters are limited in number. Some highly qualified, trained, and experienced Sovietologists have difficulty obtaining lateral or onward assignments where their own hard-earned expertise can be utilized.

Defense attaches are a case in point. It is generally recognized that there have been a number of attaches who have turned in outstanding performances at the U.S. Embassy in Moscow and demonstrated a broad grasp of Soviet affairs. Army attaches are particularly well prepared for service in the Soviet Union. The Army's Foreign Area Officers Program provides excellent language and area training at Monterey and then at the Russian Institute located at Garmisch in West Germany. (None of the other armed services has a comparable program.) Not much use is made currently of such officers' specialized knowledge in their assignments after service in the U.S.S.R. other than occasional duty as analysts in the Defense Intelligence Agency. The Department of Defense should assign some of the best former attaches as aides in the offices of the secretary, deputy and assistant secretaries, and other positions in Defense and in other agencies where good use could be made of their special training and experience.

The same process of expanded assignments for Soviet affairs experts should be employed on an interagency basis. Two former secretaries of defense, for instance, have indicated that they would have welcomed the temporary assignment to their offices of a foreign service officer who had served well in Moscow.[3]

Retention

Every President and Secretary of State should have as wide a choice as practicable among career officers with substantial experience in Soviet affairs for the individual(s) on whom he wishes to rely for advice in this area. As former President Carter stressed in a recent interview, "most presidents want to have a choice of experienced advisers" in a key area such as this.[17] Unlike the '50s, and '60s when former ambassadors Kennan, Bohlen and Thompson were in Foreign Service, no former ambassador to the U.S.S.R. is still on active duty.

The Foreign Service Act of 1980 allows the Department of State to establish categories of specially needed skills as well as the numbers of officers to compete for selection for three-year limited career extensions in such competition groups in order to meet the overall needs of the Senior Foreign Service, so no new authority would be needed to enable the Service to retain a fuller list of officers experienced in Soviet affairs.

Recommendations: Related Personnel Policies

(1) *Specialization*. A limited number of highly qualified officers should be allowed to enter the Foreign Service each year as specialists in Soviet affairs, supported, and provided with equitable opportunities to compete for advancement to higher ranks, in return for commitments to stay with their specialty and undertake longer and repeat assignments, as needed by the Service.

(2) *Washington Assignments*. Officers who have performed well in assignments in the Soviet Union should be given more opportunities for lateral and onward assignments in positions in the State and Defense Departments and intelligence agencies in the offices of the department and agency heads and other high officials, and on the N.S.C. staff, where their knowledge of Soviet affairs is needed and can be used to advantage.

(3) *Retention*. The Foreign Service should establish requirements for selection of qualified officers for limited career extensions that would facilitate the retention of more of the ablest officers with experience in Soviet affairs to afford presidents and secretaries of state a wider choice of high-level advisers in this field.

(d) Organization

The highest official in the U.S. government devoting full time to Soviet affairs is the Director of the Office of the Soviet Union Affairs in the Department of State. The channel of reporting from that office director to the secretary of state is through the deputy assistant secretary of state for Soviet and East European affairs, the assistant secretary in charge of the Bureau of European and Canadian Affairs, sometimes a counselor or special ambassador who may have been asked to advise the secretary of state on such matters, the under secretary of state for political affairs, and, in certain instances, the deputy secretary of state as well. Although the secretary of state can bypass some or all of the intermediate officials whenever he chooses to do so, the level and rank of the office director places him at a disadvantage in dealing with Soviet experts in other interested departments and agencies.

In contast, the Soviet Foreign Ministry includes a separate department of U.S. and Canadian affairs headed by a deputy foreign minister. That official, who is a member of the high-level collegium of senior advisers in the Foreign Ministry, has few layers above him. He reports to the foreign minister though one of the two first deputy foreign ministers.

A strong case can be made for establishing a separate bureau of Soviet Affairs in the Department of State. The political and military activities of the Soviets must be taken into account by the United States in all regions of the world—a clear point of distinction if comparable organizational treatment were suggested for any other country. A bureau devoted to Soviet affairs should be able to coordinate more closely and effectively with the other regional bureaus on Soviet matters that arise in their areas.

The multiple country and subregional political, economic and military matters now dealt with by the European bureau—covering a significant portion of the entire Northern Hemisphere—obviously require the assistant secretary to spend most time and effort on West European and Canadian issues. This has been reflected in the experience of recent officials who have held that office. During the last 27 years, for instance, only two of the nine persons who have served as assistant secretaries for European affairs have had prior direct Soviet experience; none during the last dozen years.

Creating an assistant secretary position for a senior Sovietologist would allow more outlets for retention of the best officers in this field as potential experienced advisers for future presidents and secretaries of states. Upgrading the positions of other officers working on Soviet affairs would provide more attractive career paths and retention possibilities for specialists in that area and assist them in the conduct of interagency business.

Deciding whether or not to include East European affairs in such a bureau requires balancing several considerations. Opposition to inclusion has been voiced by some who believe that it would indicate approval of current East-West divisions at a time when the United States should make every effort to distinguish between the countries of the region that are willing to establish closer ties to the West. They believe that a new bureau would make essential coordination of policies toward East and West Europe more difficult.

Those in favor of inclusion of East European affairs point out the personnel advantages of having the additional, closely-related substantive assignments available in a bureau which would otherwise be limited exclusively to the support of the relatively few assignments now available for postings in Moscow and Leningrad. They tend to discount the external effects of internal organizational arrangements, pointing out that for many years one deputy assistant secretary has covered both Soviet and East European affairs without causing any confusion about U.S. policies towards the region. Agreeing that close coordination of policies between the two European bureaus would be important, they note that such coordination is also essential with the bureaus with jurisdiction over Middle Eastern, South and East Asian affairs.

All agree that there are definitional problems about the countries of East Europe that should be included. Should Yugoslavia be included? Should East and West Germany, which are both now included in an office of Central European affairs, be split? Should Warsaw Pact membership or full subservience to Soviet foreign policy dictates be a prime criterion?

Although the Panel views organizational issues as secondary to many of the other points in the report, most members favor establishing a separate bureau with jurisdiction over Soviet and East European affairs, with authorization for the secretary of state to determine which East European countries should be included.

Recommendation: Organization

Soviet and East European affairs should be made a separate bureau in the Department of State.

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

Executive Summary

Introduction

The purpose of the study has been to:

> analyze actual and potential difficulties facing the governments of the United States and the Soviet Union in communicating in a knowledgeable, accurate, timely and effective manner that achieves common understanding of areas of agreement and disagreement during normal times as well as crises; and
>
> recommend unilateral as well as bilateral actions for strengthening communications through improved individual practices, procedures, organization and technology to help reduce the risks of misunderstandings and conflicts.

Study panel members, whose high-level government experiences span each of the last seven administrations, are of the view that strengthened communications would help prevent or ameliorate serious misunderstandings that could lead to superpower conflict. Past misunderstandings which have caused or exacerbated crises underscore the importance of strengthening communication processes.

While basic differences of values, goals and interests cannot be altered by better communications alone, successful communications can help avoid conflicts based on misunderstandings by giving each side a more realistic assessment of areas of agreement and disagreement.

The introductory section of the report describes the premises, objectives and scope of the project.

The panel's findings and recommendations are presented under five principal chapter headings: (1) issues warranting presidential attention; (2) matters of knowledge and information; (3) analysis, which concern all levels of executive authority; (4) alternative forms and channels of communication, existing and proposed; and (5) staffing and organizing the persons and support systems needed to conduct effective relations and exchanges with the Soviets. The recommendations which appear under 30 section headings are mostly discrete and separable, but all are designed to reduce the risks of misunderstanding and conflict by strengthening the process of communication. (pp. 1–2)

Presidential Issues

(a) ***Campaign and Transition Briefings.*** Most post-war presidents have entered office without much background in U.S.-Soviet affairs. For bureaucratic and political reasons, the written material and oral briefings they have received during the campaign and transition periods from governmental, transition team, and other experts have been limited in scope and effectiveness. Specious themes about superpower relations have gained currency in several recent presidential elections and have obscured the real issues. Panel recommendations include providing for: (1) briefing sessions by leading government and private experts at the earliest feasible time during the campaigns and transitions that highlight relevant aspects of Russian and Soviet history and culture, economic and political trends, and evolving Soviet perspectives about the United States and international affairs; and (2) written briefing material that include (a) summary national estimates of major political and economic as well as military and intelligence issues, and (b) more information to incoming presidents and their principal advisers about the human and technical resources available to the new administration and how to utilize them to help determine their own goals and policies. (pp. 3–5)

(b) ***Fuller Use of Experience and Expertise.*** Presidents are strongly urged to consult trusted, respected and experienced experts on Soviet affairs when they make decisions affecting U.S. relations with the Soviet Union. Such experts should be given explicit presidential directions to express their own and other leading experts' views about the probable reasons for Soviet words and deeds that may be at issue and likely Soviet reactions to U.S. responses and initiatives under consideration. The report discusses: the limitations of relying exclusively on Cabinet-level general foreign policy officials to provide such counsel; problems encountered by presidents when they did not use the best available experienced experts; the optimum specifications and support arrangements for the experts chosen; and some of the difficulties encountered by government career and private experts in providing needed advice. The report also suggests allowing for some continuity of professional experts on Soviet affairs on the National Security Council staff when there is a change of administration. (pp. 5–8)

(c) ***Correspondence.*** Presidential correspondence with Soviet general secretaries should be broadened to include points of information and inquiry about issues of possible common concern which are not in contention or negotiation between the governments in an effort to explore, identify and expand potential areas of mutual interest, when that is consistent with overall policy goals. (p. 8)

(d) ***Summit Meetings.*** Thirteen summit discussions have occurred since 1955 which have involved each of the last seven presidents and five general secretaries and premiers. After each recent meeting the president has indicated that the discussions contributed to a more realistic understanding of many issues and advocated regular meetings in the future. Although flexibility of timing should be retained and meetings approached with careful preparation, there is a strong case for regular meetings between the national leaders, perhaps two or three per term, starting as soon as a new president has determined his administration's policies. National leaders who decide to propose major initiatives during summit discussions should communicate their intent in advance to improve changes for serious consideration by the other side. American interpreters should accompany presidents to all summit discussions. (pp. 8–10)

(e) ***Trusted-Advisers Crisis Channels.*** In times of crisis the American and Soviet governments may both find it difficult to understand what is happening and to read the other side's intentions correctly. Floods of reports are received, often fragmentary and erroneous. Fatigue may become an impediment to judgment. Uncoordinated public statements, leaks, and third party actions may add confusion. Sometimes the choice of representatives and channels of communication have not seemed credible to the other side. To assist in such situations, each president should: select the trusted advisers he would wish to use to conduct preliminary explorations, to test possible solutions, and to convey and receive important communications; advise the general secretary of his choices and any subsequent changes; invite the Soviet leader to take similar action; and propose that at least one such channel should be available for confidential exchanges during crises. (pp. 10–11)

(f) ***Sharing Assessments with the Soviets.*** (1) "The importance of accurate mutual assessments of interest between the superpowers is evident and continuous," President Kennedy's advisors during the Cuban missile crisis declared 20 years later. In times of crises, however, Moscow and Washington make decisions unilaterally, often based on doubtful evidence and assumptions about the other's words, deeds and intentions. Four such incidents that occurred in the 1960s, '70s, and '80s are documented in the report; one government was at a high level of tension and the other was completely unaware or incredulous that that was the case and no serious communications efforts were made. The gains and risks of fuller sharing of preliminary views and the kinds of situations in which it is most likely to succeed are discussed in detail. The Panel concluded that confidential mutual assessments by trusted representatives should be authorized by the President before taking final positions in situations involving potential risk of conflict and areas of probable common interest when Soviet intentions are unknown or unclear. (2) The report suggests that officials who propose actions based on worst case assumptions should also be required to submit their best estimates of what worst case assumptions about U.S. actions by the other side might lead to what response and how they would propose interpreting and reacting to such responses. (3) A third recommendation calls for official or privately sponsored joint U.S.-Soviet past crises analyses by primary participants in such events to determine the validity of unilateral assessments of the other's intentions which were made at the time. (pp. 11–15)

(g) ***Compartmentalization.*** When time for deliberation is short, particularly during crises, presidents should direct that the aides and advisors with whom they wish to consult before making decisions relating to U.S.-Soviet affairs have a common base of information. (p. 15)

(h) ***Coordination of Public Positions.*** Every president should be made aware by his advisers of the serious potential confusion caused when he permits officials to publish or broadcast conflicting statements of his administration's foreign policy views and does not insist on coordination of policy statements by his secretary of state or other authorized official. (pp. 15–16)

Knowledge and Information

(a) ***Expansion of Sources.*** The Russian penchant for secrecy and Soviet controls over travel and private as well as official contacts with foreign representatives and citizens have necessitated heavy U.S. reliance on technical means and secondary sources for gathering information about trends and developments in the U.S.S.R. Those responsible for collecting such information would benefit from more systematic guidance from high-level officials about priorities among topics for which added coverage would be most useful. Greater collection efforts should be directed toward developments in the non-Russian republics, and to cover the published reports and views of independent American and friendly-country businesspersons, students, journalists and others who have lived, worked and traveled in the Soviet Union. (pp. 17–18)

(b) ***Selection, Summarization, and Presentation.*** Reliance on data from technical and secondary sources places a heavy burden on officials at all levels who have responsibilities to select, screen and summarize the most relevant information for government leaders. A small interagency staff should be assembled under the guidance of the national security adviser to prepare summaries of important developments for presidents based on material drawn from all department and agency sources. The summaries should be updated and prepared in alternative formats and lengths to fit presidential needs and schedules. (pp. 18–19)

(c) ***Layering.*** Presidents and their immediate advisers have sometimes made decisions without awareness of highly relevant information known at lower levels of the government. Each member of closely restricted groups of presidential advisers should assume responsibility for obtaining all information available within the jurisdiction of the adviser's department or agency that might be germane to sensitive matters under presidential consideration without revealing the reasons for such requirements. (pp. 19–20)

(d) ***Institutional Memory.*** U.S. laws and procedures concerning the government's institutional memory in the field of national security affairs are seriously deficient. Outgoing chief executives take their presidential records with them when they leave office and exercise de facto subsequent control over access to them. When new presidents and their advisers are unaware of preceding presidents' most sensitive contacts with other governments, they are obviously not in a position to request access. This section of the report describes the development of law and practice in this area, political and other factors that contribute to prior record-keeping, and cites instances of difficulties caused by faulty institutional memory. The panel recommends changes in the law (1) to make explicit that presidents and agency heads are responsible for making records of all substantive contacts with foreign representatives; (2) to require that the originals of presidential records be retained in the White House and that copies only be removed to the archives of former presidents; and (3) to modify the Freedom of Information Act, which is perceived in the executive branch as a primary deterrent to record keeping, to require special review of releases to foreign nationals and to limit repeated requests for material already reviewed. (4) Administrative suggestions are included to require better filing, storage, correlation and retrieval of official records of foreign contacts and understandings and subsequent related official as well as publicly-known developments. (pp. 20–21)

Analysis

(a) ***Priorities and Interests.*** High-level officials should provide government analysts of Soviet affairs with more regular, timely and specific guidance about U.S. policy interests and actions under consideration and about the priorities of analytical needs. (p. 23)

(b) ***Diverse and Conflicting Views.*** Analysts should make more systematic efforts: to include fuller treatment of significant conflicting official views among and within departments and agencies; to exchange analyses of Soviet developments with respected allied and friendly government sources; and to obtain, abstract, and disseminate relevant views of leading U.S. and foreign private sector Soviet experts as expressed in journals, media appearances, and special interviews. (pp. 23–24)

(c) ***Soviet Views.*** Department and agency heads should require analysts to include their best reasoned analyses of probable Soviet interest, intentions, and reactions whenever such considerations may be relevant to pending U.S. policy decisions and actions. (p. 24)

(d) ***Presentation.*** Analyses should be presented in alternate formats and lengths to fit the needs and schedules of government leaders. (p. 24)

(e) ***Separation of Intelligence and Policy.*** The important distinction between intelligence analysis and policy advice should be carefully delineated and observed. (p. 24)

Communications

(a) ***Choices of Communications Channels and Methods.*** There are many different ways in which the American and Soviet governments can communicate with each other. The choice of channels and methods can determine whether a given communication gets through to the intended party in the form intended and in a timely manner. Presidents and Cabinet-level advisers should be briefed on such communication choices at the earliest practical opportunity. When important issues are involved, they should decide whether communications should be public or private, direct or indirect, attributable or disavowable, and which persons to designate as author, conveyer, and recipient. Use of redundant channels is often advisable. (pp. 25–26)

(b) ***Communicating through Actions.*** Soviet authorities should be advised of U.S. intentions in advance of or concurrently with American military actions that could appear hostile or threatening to them, unless it is deliberate U.S. policy to risk worst case readings of such moves by the Soviets and responses or counteractions that would follow from such interpretations. (p. 26)

(c) ***Communicating Important Points in Writing.*** The Panel strongly urges that the major points in important U.S.-U.S.S.R. communications be made in writing, so that the intended recipients and others in addition to the representatives who handle the communications will be able to see them in the form intended. (pp. 26–27)

(d) ***Risk Reduction Centers.*** (1) The Reagan administration's proposal to establish nationally staffed, round-the-clock risk reduction centers in Washington and Moscow should be supported. (2) The centers' roles should be extended from the start of operations or as soon as possible thereafter to include: third country situations that could lead to direct U.S.-Soviet conventional or nuclear conflict; nuclear proliferation developments of such urgency that they cannot be dealt with through normal channels; and certain threats and incidents of nuclear terrorism. (3) Communications linking the centers should include the hotline terminals. (4) The Washington center should be a unit of the National Security Council and located in the N.S.C. complex, with an interagency staff of diplomatic, military and other personnel to help assure White House command and control and essential and effective two-way integration with the roles and missions, information resources and needs of existing agencies. (pp. 27–30)

(e) ***Fuller Use of Hotline.*** (1) A bilateral agreement should be sought to provide for use of the hotline by officials specially authorized by presidents or general secretaries in urgent situations when normal channels of communication are inadequate or unavailable. Provision should be made for agreed precedence indicators to assure highest-level use at any time and to indicate the degree of urgency of messages. (2) The hotline should be further modernized to provide secure voice and video-teleconferencing capabilities for use if both national leaders are willing to use such forms of communication. (pp. 30–32)

(f) ***Additional Technical Links.*** (1) Each government should be allowed to install and control its own direct satellite transmission and reception system at its embassy in the other country under a bilateral agreement also giving each side the right to bring in and maintain its own equipment without interference. (2) The United States and the U.S.S.R. should agree to permit the installation of direct, high-speed teletype links from their embassies to the Kremlin and Soviet Foreign Ministry and to the White House and State Department respectively. (p. 32)

(g) ***Access to Soviet Leaders.*** (1) The President and the General Secretary should agree not only to continue the current practice of reciprocity of access for their envoys but also to grant them more regular direct personal access. (2) To enhance the opportunities for gaining access to Soviet leaders, American ambassadors to the Soviet Union should serve in the post for longer periods than have been the norm in the past, unless there are overriding professional or personal reasons not to do so. (pp. 32–33)

(h) ***Meetings.*** The panel favors continued efforts to expand and regularize a broad variety of U.S.-Soviet contacts, meetings, and dialogues. They would include: civilian and military officials at several different levels of executive authority to discuss bilateral and regional problems; exchange visits by delegations of members of Congress and Soviet leaders in the Supreme Soviet and Central Committee and by state and local leaders; quasi-official and private group meetings on subjects of special concern and interest in both countries; cultural, educational, scientific-technical and people-to-people exchanges and meetings; and reciprocal separate and joint public media appearances in one country by officials and private citizens of the other. (pp. 33)

Personnel and Organization

(a) ***Language Training and Interpreters.*** Greater efforts should be made to recruit Foreign Service and other agency candidates with advanced Russian language proficiency, and entrance requirements should provide a significant advantage for persons with such skills. Russian language training for others should be extended to permit a level of advanced proficiency for some which would enable them to meet the most exacting professional standards needed for assignments in the Soviet Union. The number, status and substantive training of persons serving as interpreters for U.S. official high-level discussions with the Soviets should be enhanced, and Foreign Service officers used increasingly for such purposes. (pp. 35–37)

(b) ***Area Training.*** Area training in Russian and Soviet history, culture, customs, and evolving world views should be extended, and integrated with language training and testing to the fullest feasible extent. Test results should be given increased importance. Officers of all agencies who are concentrating on Soviet affairs should be encouraged to take graduate school Russian studies at an appropriate time in their careers. (pp. 37–38)

(c) ***Related Personnel Policies.*** Principal recommendations call for: (1) Specialization. A small number of highly qualified officers should be allowed to enter the Foreign Service each year as specialists in Soviet affairs, supported, and provided with equitable opportunities to compete for advancement to higher ranks in return for commitments to stay with their specialty and undertake longer and repeat assisgnments, as needed by the Service. (2) Washington Assignments. Officers of all agencies who have performed well in the Soviet Union should be afforded more opportunities for lateral assignments with the N.S.C. staff, State and Defense departments and the intelligence agencies in the offices of agency heads and other high officials where their knowledge of Soviet affairs would be put to continued use. (3) Retention. The Foreign Service should establish requirements for selection and retention of most qualified, experienced officers for limited career extensions to afford presidents and secretaries of state a wider choice of high-level advisers. (pp. 38–39)

(d) ***Organization.*** The advantages of establishing a separate bureau of Soviet Union and East European affairs in the Department of State appear to the Panel to outweigh the disadvantages for the reasons described in the report. (pp. 39–40)

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Florida State Department of Health and Rehabilitative Services

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